

FBIS

DAILY REPORT

CONTENTS

Latin America

Vol VI No 101

25 May 1982

INTER-AMERICAN AFFAIRS

Falklands Peace, Cease-Fire Proposals Submitted	A 1
Brazilian Plan	A 1
Brazilian Comments	A 1
Panamanian, Irish Proposals	A 1
Peru Seeks Economic Group's Support for Argentina	A 2
Andean Meeting Suspended	A 3
No Request for OPANAL Role in Falklands Crisis	A 3

ARGENTINA

Frugoli Warns of Internationalization of Conflict	B 1
Sources Foresee a Freeze in U.S. Relations	B 1
IADB Personnel Withdrawal	B 1
Further Details	B 2
Costa Mendez Scores U.S. in 24 May Interview	B 3
UK, U.S. Said Seeking Base on Falklands	B 5
Great Britain Rejects Latest Peruvian Peace Plan	B 6
EEC Sanctions Damage North-South Relations	B 6
Government Requests TIAR Meeting for 27 May	B 7
Text of Note	B 7
Invocation of Rio Treaty	B 8
OAS Secretary General Voices Support for Cause	B 9
Galtieri Thanks Orfila	B 10
Galtieri Message Thanks Guzman for Support	B 10
President Galtieri Sends Letter to Fidel Castro	B 10
Soviet Olympic Film Screened To Raise Funds	B 12
Military Supplies From South Africa Denied	B 12
Reportage on 24 May Military Operations	B 12
Force Report Disregarded	B 12
'Intensive' Patrol Operations	B 12
Sources Claim Canberra Hit	B 13
Attack on British Position	B 13
Three British Ships Hit	B 13
Communique on Airstrikes	B 13
Source on High UK Losses	B 13
UK Reverses	B 15
Report on British Beachhead	B 15
Frugoli, Castro Madero on Developments	B 16
Paper Speculates on Outside Support for UK	B 17
[LA NACION 24 May]	
New Series of Economic Measures To Be Enforced	B 17

BOLIVIA

Government Warns People on Wave of Violence	C 1
Democratization Still On	C 1
Objection to Privatization of Chilean Ports	C 1

BRAZIL

U.S., Britain Said Planning Bases in Falklands	D 1
Argentina Interested in Rockets From Brazil	D 1
Authorities Deny Attack on Justice Minister	D 1

CHILE

Fleet To Prolong Current Operations in South	E 1
UK Helicopter Crew Not at Santiago Embassy	E 1
Briefs: Chilean-Venezuelan Chamber	E 1

URUGUAY

Government Said Working on Falklands Proposal	K 1
UK Stand on River Plate	K 2
British Hospital Ship Expected in Montevideo	K 2
Cargo Flight From South Africa Confirmed	K 2
President Terms Relations With U.S. Excellent	K 2

CENTRAL AMERICA

EL SALVADOR

Guatemalan, Honduran Economy Ministers Pay Visit	P 1
Shafick Handal Sees New Government as U.S. Tool [Managua]	P 1

GUATEMALA

Military Junta Members Sign Amnesty Decree	P 1
--	-----

NICARAGUA

Counterrevolutionaries Seen Aided From Abroad	P 2
Eden Pastora Predicts War Will Begin 'Soon' [EFE]	P 3
Commander Ruiz Reports Agreement With USSR	P 4

CUBA

Havana Cites DER SPIEGEL on UK Contingency Plans	Q 1
Castro Addresses Nonaligned Leaders on Falklands	Q 1
Leaders Greet Mozambican President Samora Machel	Q 1
Official Says Radio Marti Can Be Countered	Q 2
Foreign Minister Welcomes Guyana's Jackson	Q 2
Nonaligned Coordination Bureau To Meet in Havana	Q 2
Castro Addresses ANAP Congress Closing	Q 3

CARIBBEAN

GRENADA

Material on State Visit by Mozambique President	S	1
22 May Arrival	S	1
Addresses Rally	S	1
Bishop Hails Machel	S	2
South Africa Terror [Maputo]	S	2
Departs 24 May	S	2

SURINAME

Prime Minister on Policy To Promote Exports	U	1
Union Leader Calls for Return to Democracy	U	1
Prime Minister Off to Rome, Netherlands	U	2
Briefs: Arron Given Bank Position; Rice Sale to France	U	2

OTHER COUNTRIES

MEXICO

Official Terms Pemex Money Situation Critical	V	1
---	---	---

PANAMA

Pastora Not in Country; Mediation Efforts Begun	V	1
---	---	---

FALKLANDS PEACE, CEASE-FIRE PROPOSALS SUBMITTED

Brazilian Plan

PY250126 Paris AFP in Spanish 0015 GMT 25 May 82

[Text] Brasilia, 24 May (AFP) -- The peace plan Brazil presented to the UN Security Council to solve the conflict over the Malvinas Islands calls for an immediate cease-fire and the simultaneous withdrawal of Argentine and British forces from the archipelago, among other points. The complete text of the Brazilian proposal reads as follows:

1. Immediate cessation of hostilities.
2. Simultaneous withdrawal of forces of the two countries, Argentina's to the Argentine mainland and Great Britain's to the northeast of the Malvinas at a distance equivalent to that between the islands and the Argentine mainland. The withdrawal of Argentine and British forces should begin 48 hours after the resolution is adopted. All Argentine and British forces should be withdrawn in a period of 21 days. Calculated on the basis of a criterion established by the UN secretary general, one-third of the troops of each country should be pulled out every 7 days.
3. Appointment by the UN secretary general of a provisional administration over the islands with exclusive competence, an administration that will consult with representatives of the islands' inhabitants appointed by the governments of the two countries. The UN administration will be installed on the islands as soon as the Argentine and British troops are withdrawn. The UN member countries will offer the UN secretary general all the support necessary for installation of the provisional administration and supervision of implementation of the provisions of the present resolution.
4. Establishment, in accordance with Article 29 of the UN Charter, of a commission headed by the UN secretary general and composed of representatives of Argentina, Great Britain and four other member countries -- each party will appoint two -- to undertake urgent negotiations aimed at reaching a definitive solution to the question. The commission should begin its work the day after the withdrawal of the troops from the zone and present a report to the UN Security Council by 31 January 1983.

Brazilian Comments

PY250941 Buenos Aires TELAM in Spanish 2325 GMT 24 May 82

[Excerpt] Brasilia, 24 May (TELAM) -- The Brazilian plan will be in Washington tonight and will have to be considered at the Security Council meeting tomorrow. It is believed that if the council continues with its "operational delay," Brazil could make a statement to express its support for Argentina "just as Venezuela, Peru, Bolivia and other Latin American countries have been doing," it was stated tonight in Brazilian diplomatic circles. "If the council truly wants to end the war, it could not possibly object to any of the four points proposed in the Brazilian plan," the source said.

He added: "If the Security Council overlooks this proposal tomorrow, Brazil will adopt a position of full support for Argentina, since neither Great Britain nor the Security Council would then have any real interest in ending the conflict."

Panamanian, Irish Proposals

PY250246 Buenos Aires TELAM in Spanish 0030 GMT 25 May 82

[Text] United Nations, 25 May (TELAM) -- The Panamanian and Irish representations to the United Nations today submitted to the Security Council two draft resolutions to be analyzed by this body.

According to the official translation, the Panamanian draft resolution reads textually:

Deeply concerned over the serious situation in the South Atlantic; taking note, with deep appreciation, of the efforts being made by the secretary general; pointing out the basic responsibility of the Security Council for maintaining international peace and security, [Panama]:

1. Urges the Argentine and United Kingdom Governments to cease firing and put an end to all military actions immediately.
2. Urges the interested parties to fully implement Resolution 502 of the Security Council immediately after the cease-fire.
3. Resolves that immediately and simultaneously with the cease-fire the interested parties start negotiations under the aegis of the UN secretary general.

The Irish representation states:

Taking Resolution 502 into account; taking note, with the greatest concern, that the situation prevailing in the Falkland/Malvinas Islands region has deteriorated seriously; having listened to the statement made by the secretary general of the Security Council in the (?last) meeting on 21 May 1982, as well as the statements by the Argentine and United Kingdom representatives during the same meeting; taking note, based on the statements of the secretary general, of the extent to which points of agreement between the two parties have been achieved, through his efforts; seeking to achieve, as a matter of the greatest urgency, the cessation of hostilities and the ending of the current conflict between the armed forces of Argentina and the United Kingdom of Great Britain and Northern Ireland, [Ireland]:

1. Voices its appreciation for the efforts the secretary general has already made to achieve an agreement between the two parties, in order to secure the implementation of Resolution 502 of the Security Council and, as a consequence, to restore peace in the region.
2. Based on the current resolution, requests the secretary general to undertake a new mission of good offices according to Resolution 502 of the Security Council and according to the guidelines established in his declaration of 21 May 1982.
3. Urges the parties in conflict to cooperate fully with the secretary general in his mission and, as a first step, to agree on a full suspension of hostilities for a 72-hour period.
4. Requests the secretary general that during that period he get in contact with the parties in order to negotiate mutually acceptable terms for a continued cease-fire, including, if necessary, agreements for the sending of observers to supervise the observation of the terms of the cease-fire agreement.
5. Requests the secretary general to submit a report to the council at the end of the period established in paragraph 3.

PERU SEEKS ECONOMIC GROUP'S SUPPORT FOR ARGENTINA

PY241914 Buenos Aires LATIN in Spanish 0230 GMT 20 May 82

[Text] Lima, 19 May (LATIN-REUTER) -- Foreign Minister Javier Arias Stella today announced that Peru will support the establishment of an action committee at the level of the Latin American Economic System (SELA) in order to offer trade and tariff support to Argentina in view of the punitive measures of the European Economic Community.

He added that Peru will propose the establishment of the committee at the meeting of foreign ministers of the Andean Pact, which be held in Bogota 26-27 May, and stated that the new organization is supported by Venezuela, Mexico and Brazil.

At a press conference, Arias Stella also stated that the Andean meeting in the Colombian capital is aimed at confirming the political support of the member countries of the Andean Pact -- Bolivia, Colombia, Ecuador, Peru and Venezuela -- for Argentina.

The goal of the committee at SELA level is studying the complementary features of our trade and tariffs and the best way to support Argentina, he stated.

The meeting of foreign ministers is political support for Argentina. The Andean board has a political dimension and backs supporting measures such as tariff measures to allow Argentina at least temporarily to enjoy the advantages of a member of the Andean group. We will study positive ways in which we may absorb part of Argentine trade in the Andean countries, he stated.

The minister met with the newsmen to announce that he will leave for Caracas tomorrow to be present at the official installation of the Peruvian-Venezuelan chamber of economic cooperation and export promotion. The minister reported that parallel to the Bogota meeting, the ambassadors of the Andean countries are summoned to meet with Argentine officials in order to update the Andean-Argentine mixed committee. The mixed meeting's objective is to study ways the Andean group can rapidly and appropriately provide, through trade and tariff measures, really effective support for Argentina at difficult time when it is being subjected to punitive measures by industrialized countries, he added.

The Lima and Bogota meetings coincide with the 13th anniversary of the founding of the Andean Pact, also called the Cartagena agreement, as the establishing protocol was signed at the Colombian port of Cartagena.

Andean Meeting Suspended

PA242229 Bogota Radio Cadena Nacional in Spanish 1730 GMT 24 May 82

[Excerpts] Bogota -- The Colombian Government today officially announced the suspension of the Andean Group foreign ministers meeting that had been scheduled for 26 May. It said this was because several foreign ministers are currently participating in a meeting of the UN Security Council in New York.

The Foreign Ministry spokesman said that since it is not known when the Security Council sessions will end, the foreign ministers meeting in Bogota has been suspended indefinitely.

NO REQUEST FOR OPANAL ROLE IN FALKLANDS CRISIS

FL232341 Mexico City NOTIMEX in Spanish 2326 GMT 24 May 82

[Text] Mexico City, 24 May (NOTIMEX) -- The Organization for the Proscription of Nuclear Arms in Latin America (OPANAL) "has not received any request to intervene in the Malvinas conflict," sources close to OPANAL said here today.

The sources, who asked not to be identified, expressed concern over the future of international relations, especially the future of disarmament treaties, once the conflict between Great Britain and Argentina has ended. They said some countries that belong to OPANAL have held consultations "but have not requested OPANAL intervention in the conflict."

The sources said they did not know whether there are plans for a meeting of the OPANAL council, made up of Mexico, Uruguay, Peru, Colombia and Costa Rica. They indicated that a meeting would be in order if any member nation felt it might be affected, and challenged Great Britain's claim that it has no nuclear weapons in the South Atlantic as charged by a German magazine.

FRUGOLI WARNS OF INTERNATIONALIZATION OF CONFLICT

PY241504 Buenos Aires TELAM in Spanish 1356 GMT 24 May 82

[Text] Buenos Aires, 24 May (TELAM) -- Defense Minister Amadeo Frugoli has warned about the internationalization of the Anglo-Argentine conflict over the Malvinas Islands. In this regard he said that the United States cannot avoid its responsibility and that it should adopt a more evenhanded posture in order to promote a peaceful solution.

He added: "The United States is the most important country of the Western world, therefore it cannot avoid the responsibility it has as leader."

In statements made to Radio Mitre, Frugoli emphasized the importance of the position taken by various countries regarding the conflict.

He said that one knows how a war starts but not how it evolves or how it is going to end. He added that unfortunately the situation has become so difficult that there is a risk of not only worsening the conflict but to its internationalization.

In this regard he said that if this takes place it would be quite serious for world political equilibrium and would obviously hurt the West.

Asked about the possibility of obtaining military aid from other countries, the defense minister said that this will depend on the evolution of the armed conflict in the South Atlantic.

From the military point of view, I believe that the most important thing is to destroy the bridgehead which the British invaders are trying to establish in San Carlos.

In this regard he said that establishing the bridgehead will be very difficult because they have no way of resupplying their troops, therefore the situation in human lives and material for Great Britain is very hard. In conclusion he said: "I would not hesitate in labeling this as a suicidal and absurd colonialist adventure."

SOURCES FORESEE A FREEZE IN U.S. RELATIONS

PY242037 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2022 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- Diplomatic sources have voiced assurances that the Argentine Government is about to establish a number of steps which would lead to freezing Argentine relations with the United States.

The first of these measures would be the withdrawal of the Argentine representative from the Inter-American Defense Board.

The other steps would be the withdrawal of the Argentine officers who are being instructed or trained in military centers in the United States; withdrawal of military attaches in Washington and, finally, the withdrawal of Ambassador Esteban Takacs from the White House.

Sources indicated that Victor Bouge would take over the Argentine diplomatic mission as charge d'affairs.

IADB Personnel Withdrawal

PY242305 Paris AFP in Spanish 2233 GMT 24 May 82

[Text] New York, 24 May (AFP) -- Foreign Minister Nicanor Costa Mendez stated today that the Argentine Government has decided to reduce the number or totally withdraw its military personnel from the Inter-American Defense Board [IADB], headquartered in Washington, as a demonstration of the freezing of relations with the United States.

Argentina wants to express in this manner the very bad impression generated in Latin America by the support the United States is granting to Great Britain in the war over the Malvinas, the foreign minister added at a press conference given at the Argentine mission to the United Nations.

Costa Mendez also stated that he does not discount the possibility of leaving for Havana, Cuba, to attend the meeting of ministers of nonaligned countries which will take place on 29 May, in preparation for a summit conference of chiefs of state.

Further Details

PY250820 Paris AFP in Spanish 2337 GMT 24 May 82

[Text] New York, 24 May (AFP) -- Argentine Foreign Minister Nicanor Costa Mendez today stated that the Argentine Government has decided to decrease or withdraw all its military personnel from the Inter-American Defense Board [IADB], seated in Washington, as proof of considerable cooling which our relationship with the United States has experienced.

During a press conference held at the office of the Argentine mission before the United Nations the Argentine foreign minister stated that in this way Argentina wishes to express the very bad impression caused in Latin America due to the support which the United States grants Great Britain in the war over the Malvinas.

Costa Mendez also stated that he did not dismiss the possibility of travelling to Havana, Cuba, to attend the meeting of ministers of nonaligned countries to be held on 29 May, which is a preparatory meeting for a summit of chief of states and governments.

He stated that other measures of a diplomatic nature to mark the cooling of relations with the United States were being analyzed by his government but refrained from stating whether it would include a withdrawal at the ambassadorial level.

When he was asked whether his government was considering the possibility of asking the Soviet Union for military assistance should the escalation of hostilities continue Costa Mendez answered: "I am not going to answer that question."

Authorized sources pointed out that the answer to that question so far was a emphatic negative, therefore it was believed in these circles that the minister's answer reveals a change to be taken into account in the coming days.

Costa Mendez also announced that the withdrawal of officers of the Argentine Armed Forces would also include the withdrawal of personnel at the IADB in Panama.

He pointed out that his country has summoned the consultation organ of the Inter-American Reciprocal Assistance Treaty (TIAR) for a meeting of Thursday in Washington "in order to discuss the new developments which took place after the last meeting of that organ on 28 April 1982."

Regarding his participation in the nonaligned meeting in Havana, Costa Mendez stated that "it is a subject we are seriously considering" whether the Malvinas crisis is included on the agenda or not.

When he was asked about the deterioration of his country's relationship with the United States the Argentine minister answered that it is not Argentina's desire, it is not something which we have sought.

He stated that an authentic gesture of neutrality by the United States (in the conflict over the Malvinas) would be sufficient for those relations to be able to start recovering.

COSTA MENDEZ SCORES U.S. IN 24 MAY INTERVIEW

PY250426 Buenos Aires Televisora Argentina Color Network in Spanish 0100 GMT 25 May 82

[Interview with Foreign Minister Nicanor Costa Mendez by Leonardo Shocron from "60 Minutes" program in New York on 24 May -- recorded]

[Text] [Question] Minister Costa Mendez some of the participants in the meeting of the UN Security Council awaited, or speculated on the possibility that you might give a speech today. Tomorrow, 25 May, is a significant day for the Republic of Argentina, and more so in these circumstances. Is there any prospect for you to address that international forum?

[Answer] It is very likely. It is possible that in tomorrow's session I will take the rostrum to present once more Argentina's position, to stress once more the aggression committed against Argentina, and to set forth a position.

[Question] Since no resolution proposal has yet been formally presented, I do not want to mention any of the draft proposals. So I will not ask you, Mr Minister, that you refer to any of them categorically, but I want to mention to you that almost all of them coincide on the point that the UN secretary general -- this is presented by Japan, right -- the UN secretary general would assume again, I don't know whether the word mediation is appropriate, I believe the words good offices are better.

[Answer] Neither the one nor the other. He will resume peace efforts.

[Question] Peace efforts. If this is requested formally, will this be in accordance with the aspirations of Argentina?

[Answer] Yes, sir. For 17 years Argentina has believed that the U.N. is the appropriate forum to obtain a formal and universal recognition for its sovereignty over the Malvinas, a sovereignty that has been its for 150 or 170 years. This forum should be the United Nations whether through the General Assembly whenever that is appropriate, or whether the secretary general as in this case or whether the Security Council. Consequently, Argentina supports all efforts that might be undertaken by the UN secretary general; just as Argentina supports, has supported and will support all efforts conducive to settlement of its dispute with Great Britain.

Of course, Great Britain wants to present Argentina as being loath to negotiate, but this is not true; as intransigent, but this is even less true; and as reluctant to accept the jurisdiction of the United Nations. The facts that are clearly known and can be proven demonstrate that none of those three accusations hurled at us by Great Britain is true.

[Question] We were about to interrupt you, we were going to refer to the British position. We don't want to be pessimistic, but we want to be realistic. We have talked with several diplomats, foreign ministers included, and all of them allude, to a greater or lesser degree, to the prospect of a veto on the part of Great Britain. Should this happen, there will be no such resolution.

[Answer] I do not want to consider that hypothesis.

[Question] That is fine. So we will take a look at the positive things that may develop. But what is the next step, sir?

[Answer] The next step to what?

[Question] The next step in view of the two prospects. First, in the case of a resolution to the effect that the secretary general takes over negotiations.

[Answer] I have told you already that we are in complete agreement that the secretary general take over the negotiations, and initiates negotiations as a next step.

[Question] The real possibility, which you have already mentioned, that the session of the Inter-American Reciprocal Assistance Treaty [TIAR] which is open, should be resumed, does it depend on this in some measure, or is it independent?

[Answer] This possibility is not incompatible with anything else.

[Question] It is not incompatible.

[Answer] It is not incompatible, but the TIAR session, I think, should be resumed when the Security Council has ended.

[Question] When could that be, sir?

[Answer] Very possibly next Thursday, 27 May.

[Question] Since the TIAR participants are American countries, we would like to refer to the position expressed by most Latin American countries that they should pointedly cool their relations or positions toward the United States.

[Answer] That is quite correct given the decisions made by the United States, the Latin American countries, first with amazement, and I would say today dumbfounded, can see that the United States does not accept the resolutions of the consultative organ created by the Rio de Janeiro Treaty; that the United States prefers the Atlantic alliance over the American alliance, and that seemingly it does not have any major interest in what happens on the Latin American Continent. I believe that this has caused enormous damage, and I do not know what the United States will do later to muster support for its policy toward Central America; I do not know what it will do to find the support the United States was seeking, as announced at one time by the U.S. secretary of state, for a blockade against Cuba; I do not know where it will find support for such actions. The United States may find that support on the North Atlantic.

[Question] We cannot imagine that it does not even care.

[Answer] The Europeans have shown a quite neutral and aloof attitude regarding the Cuban case, for instance.

[Question] We say that we cannot even imagine that the United States does not even care about this. But in reference to Argentina in concrete terms, to rebuild relations what would the principles be that in your view should be met?

[Answer] I have practically stated them: a change in the attitude of the United States toward the Malvinas conflict.

[Question] Perhaps more impartiality?

[Answer] There has not been much impartiality; there has been none.

[Question] None.

[Answer] Authentic neutrality.

[Question] Sir, in the next few days there will be a meeting of the Coordination Bureau of the nonaligned countries in Cuba, in Havana specifically, and obviously given the support they have given to the Argentine rights to the archipelago, the Malvinas question will be on the top of the agenda. Would you care to make some statement? Will you attend that meeting, or will Argentina attend?

[Answer] It is possible, but Argentina will no doubt attend, although I do not know who will represent it. But in any international meeting, I believe, in any international meeting in which the Malvinas topic is dealt with, Argentina must be present at the most appropriate level.

[Interviewer] We thank you very much, sir.

UK, U.S. SAID SEEKING BASE ON FALKLANDS

PY241526 Buenos Aires TELAM in Spanish 1335 GMT 24 May 82

[Text] Buenos Aires, 24 May (TELAM) -- Ambassador Gustavo Figueroa, the chief of cabinet of the Foreign Ministry, who is a member of the Argentine delegation currently at the UN, today asserted: "It is being said here (in the United States) and it was even published in the press, that the great support that the United States is giving to Great Britain is designed to set up a British-U.S. base on the Malvinas to control the South Atlantic."

Figueroa, who made a statement to Radio Mitre from the United States this morning, asserted: "I was not among those who believed in that possibility, but I am beginning to convince myself that there is some truth in it. Life has taught me that nothing must be dismissed. On the contrary, everything must be taken into account, even though you may have some doubts over it."

Figueroa also asserted that it never dawned on the British that 28 million Argentine citizens would support the recovery of the Malvinas Islands.

Figueroa added that now Great Britain no longer appears in the United Nations to be country which was the victim of an aggression. On the contrary, Great Britain now appears to be country that is putting at stake many things and values, not only on the islands but throughout the world, through its actions, stubbornness and aggression.

As for Haig's statements, Figueroa said: "As an Argentine, they have made me very angry."

Figueroa remarked: "Something very important must be noted regarding meeting of the Security Council that is being held. It is the fact that all Latin America, and now over 30 countries of other continents, have stated and increased their solidarity with Argentina.

"Great Britain," Figueroa said, "is hindering the action of the Security Council because it does not want a settlement but war."

On appraising the effects that the U.S. attitude might have on Argentine foreign policy, Figueroa remarked: "This does not alter things very much. However, one of the things it does change, whether we want it or not, is the Argentine foreign policy. This policy will obviously have to dedicate much more time to its friends who have helped it so much in this situation."

In making reference to the attitude of the U.S. press, Figueroa asserted: "Their attitude is arbitrary, and not simply because they are misinformed. I believe they are perfectly well informed."

GREAT BRITAIN REJECTS LATEST PERUVIAN PEACE PLAN

PY241740 Buenos Aires International Service in English 1530 GMT 24 May 82

[Text] Meanwhile, the Government of Peru announced yesterday in the United Nations Security Council that its latest peace proposal was still prevalent.

The proposal designed to solve the Malvinas conflict was accepted by Argentina, but it was rejected by the British Government.

EEC SANCTIONS DAMAGE NORTH-SOUTH RELATIONS

PY250514 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0230 GMT 25 May 82

[Text] Buenos Aires, 24 May (NA) -- Argentina charged tonight that the EEC countries have caused "serious harm to North-South relations" in addition to affecting "the interests of developing countries."

The decision of EEC countries to indefinitely extend the economic sanctions against Argentina, states a communique issued tonight by Government House, "openly violates the UN Charter and the General Agreement on Tariffs and Trade [GATT]."

The text of the Argentine statement is the following:

"Simultaneously with the new British military attacks on the Malvinas, the EEC has renewed its political support for the aggressor.

"By adopting the decision to indefinitely prolong the embargo on Argentine imports, the EEC reasserts a conduct that openly violates the UN Charter and the GATT.

"This time it has done so at the same time that the UN Security Council, the competent body authorized to impose sanctions in compliance with the UN Charter, was holding a meeting to study the conflict.

"The private interests of the countries of the Northern Hemisphere have prevailed over the political behavior of the EEC. The appeals made by the countries of the Americas within the framework of the TIAR [Inter-American Reciprocal Assistance Treaty] and those made by Latin American countries and other developing countries on many occasions and in many other forums have been completely disregarded.

The Malvinas conflict clearly shows one of the preponderant traits of North-South relations, that is, industrial countries -- in this case those of the EEC -- resort in an arbitrary and illegal manner to a commercial coercion with the objective of breaking the will of a developing country that is defending itself from a military aggression whose only goal is to restore an illegitimate colonial order.

"The Argentine Government regrets that the political support of the EEC to the British military aggression is not in keeping with history and once again it denounces the systematic violation of principles and norms that rule international economic relations. It does so fully aware of its legitimate rights over the Malvinas Islands, South Georgia and South Sandwich Islands and of the responsibility, flexibility and prudence that it has shown in its constant search for a diplomatic solution to the conflict.

"The Argentine Government deplores that, far from contributing to the cause of peace, the behavior of the EEC is virtually promoting this military aggression. Moreover, it believes that with this attitude the EEC has caused serious damage to North-South relations and that, therefore, the interests of developing countries have also been affected.

"Regarding bilateral economic relations with those members of the EEC that have complied with the sanctions, the Republic of Argentina will continue to enforce similar measures in keeping with its legitimate right of defense."

EEC SANCTIONS DAMAGE NORTH-SOUTH RELATIONS

PY241824 Buenos Aires TELAM in Spanish 1615 GMT 24 May 82

[Text] Buenos Aires, 24 May (TELAM) -- Defense Minister Amadeo Frugoli today reasserted that Argentina "is very willing to find a peaceful solution to the conflict with Great Britain" over the Malvinas Islands.

But "for an agreement to be reached, it is necessary that the parties to the conflict act in good faith and seriously," Frugoli noted.

"We," Frugoli remarked, "have been acting in this way since the start of the conflict, but unfortunately we have not found a favorable response on the part of Great Britain."

"That country," he noted, "only intends to revive an obsolete empire through absurd and grotesque colonialists pretences."

"Furthermore," Frugoli added, "it is hindering the finding of a peaceful solution, because it seems that the British Government is only interested in justifying having dispatched its fleet to the South Atlantic."

In a statement to Channel 9 this morning, Frugoli contended: "That is the reason for them having attempted to land on the Malvinas Islands. This has cost them many lives and much war material, and I believe that they will by no means be able to consolidate it."

Frugoli reasserted that "the British troops that landed are besieged. Argentine Army detachments practically have the situation under total control, and, therefore, I am convinced that the British will not be able to consolidate their position."

Frugoli also remarked: "We must be inspired by the heroic deed of 25 May [formation of the first national government] because we are substantially defending the same values, that is, the right of the Argentine people to defend its sovereignty over its territory. Nothing and no one can prevent us from acting as a sovereign country."

"I believe that the real cause of this conflict is precisely the fact that we have exercised our legitimate sovereign rights over a territory which had been suddenly taken from us 149 years ago by a colonialist power that is now attempting to go against history, and revive an empire that is definitely dead," Frugoli concluded.

GOVERNMENT REQUESTS TIAR MEETING FOR 27 MAY

PY242046 Buenos Aires TELAM in Spanish 2040 GMT 24 May 82

[Text] Washington, 24 May (TELAM) -- Today Argentina requested that a meeting of foreign ministers to discuss the Malvinas crisis within the framework of the Inter-American Reciprocal Assistance Treaty (TIAR) be held next Thursday.

The brief note for the formal request was delivered to the OAS this afternoon and directed to Uruguayan Foreign Minister Estanislao Valdes Otero, president of the meeting.

Text of Note

PY250350 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0038 GMT 25 May 82

[Text] Buenos Aires, 24 May (NA) -- The Argentine Foreign Ministry reported tonight that the consultative organ of the Inter-American Reciprocal Assistance Treaty (TIAR) will hold a meeting on Thursday to discuss the new war escalation in the South Atlantic.

This announcement is included in an invitation to the TIAR meeting that was sent to Argentine Foreign Minister Nicanor Costa Mendez by Estanislao Valdes Otero, the president of the consultative organ. The text of this invitation was disclosed tonight by the Argentine Foreign Ministry.

Valdes Otero sent an invitation for a meeting to a request by Argentina which called for a meeting of the consultative organ in view of "large-scale armed aggression by the United Kingdom's land, navy and air forces against Argentina."

The text of the Argentine note that was submitted to Valdes Otero by Argentine ambassador to the OAS is as follows:

"I have the honor of addressing your excellency under the express instructions of my government to request an immediate meeting of a new session of the 20th consultative meeting of foreign ministers, in compliance with what is established in paragraph 9 of resolution 1 approved on 23 April 1982.

"This resolution establishes that 'the 20th consultative meeting will be maintained open with the specific objective of safeguarding the complete fulfillment of this resolution and of endorsing the additional measures believed to be necessary for reestablishing and preserving peace and for resolving through peaceful means the conflict that has developed.'"

"The Argentine Government believes that the conditions for calling a new meeting of foreign ministers of countries of the Americas which are part of the Inter-American Reciprocal Assistance Treaty are fully justified since the aforementioned resolution has not been duly fulfilled and in view of a series of deeds of a political and belligerent nature that have taken place after the approval of the resolution and which have culminated in a large-scale armed aggression by the United Kingdom's land, navy and air forces against the Republic of Argentina in the area of the Malvinas Islands, South Georgia and South Sandwich Islands. This aggression was carried out on 21 May 1982 through actions that are continuing and which have caused the loss of numerous lives and enormous suffering.

"All these deeds have been reported to the consultative meeting in numerous notes that have been addressed to your excellency in the last few weeks and which have been distributed as official documents of this conference. Therefore, we omit further details in this regard.

"But it is obvious that the belligerent aggression by the British forces poses a serious and direct threat to the peace and security of all countries in the region and that it seriously affects the sovereignty and territorial integrity of the Republic of Argentina.

"In view of the extreme seriousness of the situation, the Argentine Government believes that in keeping with what is established in resolution No 1, the 20th consultative meeting should consider adopting the additional measures that are necessary in keeping with what is established in the TIAR, the objectives of which are to safeguard peace through all possible means, provide effective reciprocal assistance to confront armed attacks against any of the nations of the Americas and dispel all threats of aggressions against any of its members.

"In view of this, it is requested that you convoke a session of the 20th consultative meeting if possible for 27 May."

Invocation of Rio Treaty

PY241904 Buenos Aires TELAM in Spanish 1755 GMT 24 May 82

[Text] Washington, D.C. 24 May -- (TELAM) -- Argentina is preparing the groundwork for invocation of the Inter-American Treaty of Reciprocal Assistance in a special session of the ministerial council of the organization of American states, to be called perhaps this week, according to reliable sources here.

Argentine Foreign Minister Nicanor Costa Mendez is expected here at mid-week, the sources said, to present his government's case for invocation of the treaty. Commonly referred to as the Rio Treaty, the 19-nation agreement, to which the United States is signatory, calls for common defense action in support of any member state which comes under armed attack.

The sources said a draft resolution was already being circulated among OAS delegations. It would condemn British aggression in the Western Hemisphere, ask member states not to lend assistance to Britain, and urge them to take concrete measures to help Argentina resist that aggression.

OAS SECRETARY GENERAL VOICES SUPPORT FOR CAUSE

PY242347 Buenos Aires Domestic Service in Spanish 1600 GMT 24 May 82

[By (Dans) Silva Acuna from the "Voide of the OAS" in Washington]

[Text] Breaking his silence regarding the Malvinas crisis, OAS Secretary General Alejandro Orfila has stated that he feels at one with the just aspirations of Argentina, his homeland, and with the struggle and sacrifice of its people.

[Begin Orfila recording] The extent of the warlike actions in the South Atlantic, its tragic consequences and the loss of lives as a result of an aggression by an extracontinental power against my country prevents me from continuing to remain silent in the light of the above events, despite the post I hold as an international official.

Being conscious of the repercussions that my assertions might have, I have thus far approached things with the objectivity that befits my post. But the sacrifice that the youth of my country are making to defend the honor of the Argentine people in the wake of an unjustifiable aggression which is inspired by (?obsolete) colonialist concepts, forces me to forego that objectivity. At the same time, though responsible for the office to which I was elected, I wish to voice the urgent need for an immediate cessation of hostilities as a step prior to the achievement of a just and lasting peace.

I also wish to express my views regarding the consequences that this circumstance might have on the future existence of the continent and of the OAS. We are confronting the most difficult and critical situation that the inter-American system has faced throughout its history. Although the former situations have been very serious ones, there has never been a warlike action by an extracontinental power, and never before has the structure of the collective security of the system been so greatly affected.

The most serious aspect of this crisis the continent is going through is that it has driven the OAS member states to follow two diverting paths. I am deeply convinced that this situation is not an irreversible one. However, we will have to pay a given price for it during a given period of time. That price and that time will reduce itself provided the system shows its willingness to prevail despite the present circumstance, and I do not doubt that it will prevail.

This crisis has put in evidence the Latin American unity which has prevailed throughout history. Its major success lies in serving to revitalize the inter-American system by enabling it to comply with its mandates and responsibilities.

In taking immediate action, I have taken the personal initiative of addressing the presidents of the American nations to exhort them to make a renewed and joint effort in order to achieve an immediate cessation of hostilities that will enable negotiations to continue successfully. Therefore, the first step is to restore peace, an honorable peace above all things. It must be an honorable peace in keeping with the feeling of the majority of the countries on the continent, contemplate the territorial integrity of the hemisphere and respect the principle of sovereignty. It must be a peace that will be governed by justice.

A public office, whether on the national or international level, is not a [word indistinct] but a service. It is a responsibility that goes beyond what suits one personally or does not suit one.

In this tragic moment for the life of my country I can only adopt, notwithstanding the consequences it may have, the only moral attitude that is valid for a man holding a public office, that is, to support his people and to feel at one with them in their just aspirations, struggle and sacrifice. [end recording]

Galtieri Thanks Orfila

PY250841 Paris AFP in Spanish 0146 GMT 25 May 82

[Text] Buenos Aires, 24 May (AFP) -- The Argentine president, Lt Gen Leopoldo Galtieri, today thanked OAS Secretary General Alejandro Orfila for a recent statement in which Orfila harshly criticized the British position in the Malvinas crisis and advocated a peaceful, honorable solution to the armed conflict.

In a telegram sent to OAS headquarters in Washington, the president said: "As an Argentine, you have responded to the call of the fatherland, which at this dramatic juncture is also the call of the Americas which have been attacked by a colonialist, extracontinental power."

The Argentine president concludes his message by noting that "in the name of the people and Government of Argentina, I want to convey to you our sincere recognition for your position which is a credit to both your good name and your office."

GALTIERI MESSAGE THANKS GUZMAN FOR SUPPORT

PY250455 Buenos Aires TELAM in Spanish 0250 GMT 25 May 82

[Text] Buenos Aires, 24 May (TELAM) -- The president of Argentina, Lt Gen Leopoldo Fortunato Galtieri, today sent a message to the president of the Dominican Republic, Silvestre Antonio Guzman Fernandez, in which he expresses the satisfaction of the Argentine Government with the appeal made by the Dominican Republic for the continuation of the diplomatic negotiations to achieve just, dignified, and honorable understanding for the conflict of the Malvinas Islands.

The text of the message sent by Lt General Galtieri to his Dominican Republic colleague is as following: "Your message of 22 May reflects the deep concern of the people and Government of the Dominican Republic over the deterioration of the South Atlantic conflict.

"The Argentine Government has welcomed and deeply appreciated the appeal that your excellency has issued for the continuation of the diplomatic negotiations to achieve a just, dignified, and honorable understanding.

"These objectives are the same ones that have been so much sought by my country and which have never been foresaken.

"Your excellency is well aware that despite the usurpation perpetrated by Great Britain in 1833 and of its manifest and intransigent unwillingness to negotiate during the past 17 years in compliance with the UN resolutions, Argentina has patiently persevered in its search for a peaceful solution.

"Despite the violent colonialist aggression that our fatherland is experiencing today, the Government of the Dominican Republic and its people can be assured that the Republic of Argentina maintains a complete spirit of understanding and its irrevocable will to negotiate to achieve the peace that we all aspire."

PRESIDENT GALTIERI SENDS LETTER TO FIDEL CASTRO

PY250530 Buenos Aires TELAM in Spanish 0404 GMT 25 May 82

[Text] Buenos Aires, 25 May (TELAM) -- The president of the nation, Lt Gen Leopoldo Fortunato Galtieri, addressed a message to Fidel Castro, head of the Movement of Nonaligned Countries, voicing the deep appreciation of the Argentine people to each member state of the movement, who have voiced their support on several occasions in view of the serious times the country is experiencing.

The following is the text of General Galtieri's message:

"I have the honor of addressing you, Mr President, regarding your message of 10 May 1982, through which your excellency in your capacity as president of the nonaligned countries appealed to the chief of states of that movement in view of the renewed British action against Argentine territory.

"The Argentine nation has valued the real magnitude of your timely remarks and has deeply sensed the clear support which this appeal represents to the justice of its cause.

"Therefore, I wish to express that feeling in these lines and to also point out the moving recognition of the people of my fatherland to each of the member states of the Movement of Nonaligned Countries, who on several occasions have voiced their solidarity in view of the serious circumstances which our country is currently experiencing.

"As you are aware, the origin of the conflict over the Malvinas, South Georgias and South Sandwich Islands, goes back to the usurpation by British Government forces in 1833, seizing Argentine territory, thus openly violating the principle of territorial integrity, and expelling the already established population which was followed by the settlement of a population belonging to the aggressor power.

"This sequence of events belongs to a well-known colonialist domination technique, which throughout history has only had distressing results.

"The various pronouncements of the movement and the communiques recently released by its Coordination Bureau before the United Nations, reveal the identification of the member states of the movement with the decolonialization principle, a principle which my country has advocated ever since its independence.

"During the 6th summit conference held in Havana in 1979, it was reiterated that the policy of nonalignment rejects all type of submission, dependency, intervention or interference, either direct or indirect, and all pressures, should they be economic, political, military or cultural in international relations.

"The aggression which my country is currently enduring not only is a threat which tests the very existence of nonalignment but is an evident demonstration of its interest in maintaining an unjust scheme, based on the use of force, to the detriment of developing countries.

"This clear demonstration of repudiating the struggle for the democratization of international relations cannot be accepted by the peoples who struggle for a decent political and economic status.

"The Argentine Government deeply appreciates the support and adherence of the Movement of Nonaligned Countries, and especially to that of the Coordination Bureau and that of you, Mr President, to achieve a just and durable peace in the region, which can only be achieved with the definite overcoming of the ignominious colonial situation on the Malvinas, South Georgias and South Sandwich Islands."

SOVIET OLYMPIC FILM SCREENED TO RAISE FUNDS

PY241409 Paris AFP in Spanish 1636 GMT 17 May 82

[Excerpt] Buenos Aires, 17 May (AFP) -- A film on the Moscow Olympic games, which Argentina boycotted 2 years ago, will be screened here on Wednesday and the proceeds from the premiere will go to the patriotic fund to help with the costs of the war with Great Britain over the Malvinas Islands.

The film, directed by the Soviet Yuri Ozerov, shows the development of the main competitions and the artistic and cultural shows which accompanied that event.

MILITARY SUPPLIES FROM SOUTH AFRICA DENIED

PY242000 Buenos Aires TELAM in Spanish 1835 GMT 24 May 82

[Text] United Nations, 24 May (TELAM) -- Hernan Mazzini Ezcurra, spokesman of the Argentine foreign minister, released the following official declaration here today:

The statements made today by the UK defense minister, Mr Nott, in the House of Commons saying that the Republic of Argentina is getting military assistance from South Africa for its defensive actions in the area of the Malvinas Islands is totally false and part of hypocritical war propaganda which Great Britain is carrying out to weaken the support for the cause against colonialism which Argentina is currently carrying out.

The document says: "The Argentine Government takes this opportunity to reaffirm once again that it will not accept the establishment of foreign military bases in the territory of the Malvinas Islands. It is precisely the UK which through a declaration made by British Foreign Minister Mr Pym said that after the colonial domination was reestablished a security agreement should be signed and that only the NATO countries should participate in the agreement, strategically extending the scope of this military pact.

In conclusion the document says: "The UK, by making the accusation of South African support for the Argentine military effort against the British colonial aggression, is trying to take this conflict out of its historic context, which is clearly the elimination of colonialism on the American Continent."

REPORTAGE ON 24 MAY MILITARY OPERATIONS

Force Report Disregarded

PY241555 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1525 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- When a military spokesman was asked about a newspaper report published today saying that the British have reportedly landed 1,500 troops in the Malvinas, he said that the military high command "does not bother either to confirm or deny this type of report from abroad."

The spokesman added that "all of this is a psychological action from abroad" and that this type of information "is not kept in mind."

In today's issue CLARIN said, citing "military sources," that on Saturday night and early Sunday morning, from 350 to 400 British Marines were able to land at San Carlos Port, Soledad Island. The daily added that this force "joined those who established a beachhead last Friday, totalling about 1,500."

'Intensive' Patrol Operations

PY241557 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1646 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- Army infantry forces today continue fighting British troops to prevent the invasion from expanding at a time when a reliable source said that "intensive" patrol operations are being carried out to prevent the supply of materiel to the British.

A military source revealed at noon today that hard and sporadic "isolated combat" on the ground aimed at neutralizing the British effort is being carried out in San Carlos Bay.

Sources Claim Canberra Hit

PY242006 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1955 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- The British transatlantic liner Canberra and two frigates were reportedly hit by the fire of the Argentine Air Force units that attacked the UK naval force today.

Military sources made this statement this afternoon, and added that the attack on Puerto Argentino at noon today was carried out by enemy planes.

Attack on British Position

PY241803 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1755 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- A reliable military source revealed this afternoon that air force and navy aircraft carried out waves of attacks against the troops that landed in Puerto San Carlos, Malvinas Islands, and damaged a British ship.

Three British Ships Hit

PY241950 Buenos Aires TELAM in Spanish 1940 GMT 24 May 82

[Text] Buenos Aires, 24 May (TELAM) -- Military sources have expanded the information on the attacks carried out by the Argentine Air Force near the Malvinas Islands after noon today.

Apparently three ships were hit by the rockets and bombs of our air force.

Communique on Airstrikes

PY242039 Buenos Aires Domestic Service in Spanish 2030 GMT 24 May 82

[Joint Staff Communique No 85]

[Text] The Joint Staff reports that today, 24 May 1982, air raids were carried out by the national air force in order to prevent the expansion of the beachhead established by the British forces at San Carlos Port.

During these air raids carried out by airplanes of the Argentine Air Force, ground objectives and transport and support vessel units were attacked. The total damage inflicted on the enemy is in the process of evaluation.

British Sea Harriers bombarded the area of Puerto Argentino without causing any damage to personnel or material. The attack was repelled by anti-aircraft artillery fire. As a result of this operation an attacking airplane might have been shot down.

Source on High UK Losses

PY250026 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2225 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- A high-ranking Navy source said that Great Britain is "paying a high price" in lives and material losses to consolidate the beachhead on the Malvinas Islands. He made this remark while commenting on the fighting in the San Carlos Port and Bay.

He said that the British lost "a large number of men" during the landing and ensuing operations, and that this might be the reasons they are outfitting other ships to take care of the wounded. The Navy source said that "the British have four hospital ships with a capacity for 1,100 wounded; but if they continue to risk their lives as they are doing, they will soon have no more hospital space." He estimated that the combat actions that have been going on for 4 days in San Carlos have cost the British "about 800 wounded" and perhaps the "death of approximately 200 men." He added: "The number of deaths is high, and many ships have been seriously damaged by the Argentine Air Force. So the British are paying a high price to secure the beachhead on the Malvinas."

The British hospital ships assigned to the task force and which have been declared as such are the Uganda, 19,907 tons; the Hecla, the Hydra and the Herald, 3,000 tons each.

As for the alleged landing of 5,000 men in the San Carlos area, according to the British Defense Ministry, the high navy source said that "the figure is nonsensical because there have been neither time nor capability to land so many men on the islands."

He emphasized that "the operations the British carried out revealed their lack of capacity for amphibious actions, and that is why they had to sacrifice so many men and so much material to establish the beachhead."

He added that the frigates that escorted the disembarkment ships are equipped with "Sea Cat" 5-km range missiles which have much less power and precision than the "Sea Dart" missiles.

In this regard he added that the frigates equipped with the "Sea Dart" missiles, which have a 20-km range, must be "concentrated" to protect valuable objectives such as either the Invincible or Hermes aircraft carriers.

He did not comment on rumors that the Hermes has been damaged, but he noted that "Everything leads to the conclusion that the British air attacks come from the same direction."

According to military sources, the British reportedly disembarked no more than 600 men in the San Carlos Port area, located in the northeastern sector of Soledad Island after the harsh battle that occurred last Friday.

The high navy source who was consulted did not deny the possibility that the British may have been able to disembark helicopters and other war materiel. He added: "Nevertheless, it will be very difficult for them to strengthen their beachhead since this area is not the most suitable for strengthening a beachhead position."

The combat operations are in a region where vegetation is scarce and the terrain is rough with some elevations no higher than 250 meters.

The navy officer stated that it is a "very difficult region to defend," but he admitted that "it is also very difficult for Argentine land forces to launch massive attacks."

The possibility that Harrier planes of the RAF (Royal Air Force) are operating in the South Atlantic has not been discarded, although it was indicated that this type of aircraft "has inferior capabilities" compared with the Sea Harriers of the British fleet. He added that "they probably brought that type of plane disassembled in the hold of some ship. Their presence may mean that the British are left with very few Sea Harrier planes."

The high navy source said that the British positions on San Carlos "are under constant attack" by the navy and air force planes to prevent both the "consolidation of the beachhead" and the "resupply of such forces."

He explained that the Exocet missile that 15 days ago sunk the modern destroyer the Sheffield has not been used in the operations carried out in the last few days. The area where the attacks occurred does not enable the use of the Exocet.

The situation forced the Argentine Air Force "to work directly against the targets," that is, to attack with bombs or rockets launched practically above the objectives. This type of attack means that the planes must expose themselves to the enemy's antiaircraft defense systems.

In the successive attacks launched against the British at San Carlos, Argentina used Mirage, Dagger, (the Israeli Mirage version) and the light fighter bombers Canberra and Skyhawk.

In the attack yesterday (Sunday), a squadron of the powerful Super Etendards was also used.

The high navy source refused to make any predictions, but he noted that "the time factor will play in our favor" once reinforcements to the British on land are blocked."

UK Reverses

PY250104 Buenos Aires TELAM in Spanish 0033 GMT 25 May 82

[Text] Buenos Aires, 24 May (TELAM) -- According to reports tonight from military circles, the air-sea combat which took place between British and Argentine forces early this afternoon was one of the fiercest so far.

According to information obtained, the British troop transport Canberra sustained serious damage, while aircraft, helicopters and two frigates were put out of commission.

Still according to such information, the British ships were approaching the north mouth of the San Carlos Strait with the obvious intent of offloading reinforcement troops and supplies for the British soldiers who are already positioned at San Carlos Bay. On that occasion they were intercepted by Argentine squadrons.

It seems that five frigates were escorting the Canberra, but the British attempt to reach San Carlos was frustrated by actions of the Argentine Air Force.

Military observers said that thus it is very difficult for the British fleet to provide support for the British soldiers on land who found themselves in what, in military jargon, is referred to as a pocket, that is besieged at a site from which they cannot move out.

The invading forces were also raided by the Argentine Air Force today, and it is estimated that they may have sustained heavy losses.

Report on British Beachhead

PY250329 Buenos Aires Domestic Service in Spanish 0310 GMT 25 May 82

[Joint Staff Communique No 86]

[Text] The Joint Staff reports that regarding the operations which are being carried out in San Carlos Port area, it can accurately be stated that the enemy forces have managed to establish a beachhead which they are reinforcing with the landing of material, equipment and personnel which amount to approximately 2,000 men.

The beachhead is 10 km long from east to west and 15 km wide from north to south.

The Argentine forces with the deployment of army units on the ground and the support of the Argentine Air Force are working to neutralize the British soldiers' penetration.

With the aforementioned objective and acting in coordination with the Argentine Army Forces, the Argentine Air Force carried out attacks with the following results:

Enemy forces: one vessel for transporting troops seriously damaged; one damaged frigate, one downed Sea Harrier.

Argentine forces: two downed planes.

It must be pointed out that there has been no information of casualties and/or prisoners from the two parties for the time being, although it is feasible to believe there have been some such cases due to the type of operations carried out.

FRUGOLI, CASTRO MADERO ON DEVELOPMENTS

PY250809 Buenos Aires TELAM in Spanish 0315 GMT 25 May 82

[Text] Buenos Aires, 24 May (TELAM) -- Defense Minister Amadeo Frugoli reported tonight on today's operation in the Malvinas Theater of Operations, noting that Argentine aircraft in their raid seriously damaged an important transport ship, presumably the Canberra, and also two frigates, in addition to a plane downed this morning. About the troops who landed in the San Carlos Strait, Frugoli said that they are in a perfectly controlled and fixed situation, adding that their number amounts to about 1,000 men who do have some antiaircraft batteries, but also serious supply problems while confronting quite inclement weather. He added that the damage inflicted on the Canberra is an important fact because it demonstrates that we are still in a net situation of superiority in the conflict.

In declarations made during the "Pure Journalism" program over television Channel 9, Minister Frugoli mentioned the situation of the aircraft carrier Hermes. He said that serious, precise and coincidental assumptions can be made that it has been seriously disabled, because this enormously important unit, both strategically and tactically speaking, has been practically removed from the theater of operations.

In turn, Vice Adm Carlos Castro Madero, chairman of the National Atomic Energy Commission, referred to reports from London saying that the British fleet is outfitted with nuclear weapons that might be used whenever the British deem it necessary to do so. He said that he personally discounted that possibility because, otherwise, we will come to a situation in which "anything goes," and there will be no limit to the utilization of weapons which are not supposed to be used by agreement, adding that nuclear weapons could not be employed against aircraft because that would also cause damage to the British troops operating in the zone.

Vice Admiral Castro Madero said that, the way he sees it, those reports are somehow part of the psychological warfare intended to undermine the determination of the Argentines. As for the utilization of nuclear-powered submarines, Castro Madero said that the British are violating the Tlatelolco Treaty which they have signed and are taking advantage of the weakness of a country such as ours that, however, supports the policy of nonproliferation in order to honor ideals pursued by mankind.

In an interview with Adm Isaac Rojas, a former Navy commander, regarding the Argentine-British crisis, he said that, in the face of very serious belligerent emergency for the Republic of Argentina, all patriots must unite to repulse the aggressor and ensure the victory of our arms. To attain victory first and then peace, Rojas said that ideological and political differences separating great sectors of the nation must be set aside. He then said that, once victory has been achieved, the time will have arrived to deal with internal rivalries.

Rojas then accused the United Kingdom, the United States and their allies of maliciously deceiving public opinion in their respective countries by distorting the real cause of the conflict, immorally utilizing political institutions to manage the press. Vice Admiral Rojas then said that, with such perfidious and dishonorable actions, those governments have dealt a hard blow to the free world and have disgracefully lost all moral authority vis-a-vis the common enemy of the East, namely, Moscow.

The TASS correspondent in Argentina, Isidoro Gilber, was interviewed also. In reference to information disseminated abroad about the Malvinas conflict, Gilber said that the international press agencies are directly dependent on their governments and so they must serve their governments' policies; and that even the well-meaning BBC, despite its supposed spat with the government of Mrs Thatcher, still hews to the line imposed by the British Government, that is, to defend the colonialist aggression against Argentina. As for the manipulation of information, Gilber said that, in the particular case of our country, Argentina is being painted abroad as a country that has adopted a bellicose attitude against Great Britain over a territorial situation.

PAPER SPECULATES ON OUTSIDE SUPPORT FOR UK

PY250927 Buenos Aires LA NACION in Spanish 24 May 82 p 1

[Text] The establishment of a poor beachhead by British troops in Soledad Island is causing a very high price in human life and material, particularly among the colonial forces. Reliable sources said that the damages suffered by the British ships have been verified and that at least two frigates were damaged, one of them very seriously.

The wounded who arrived in Montevideo are reportedly not less than 100 and it is believed that the loss of life among the enemy has up to now been even higher.

The men who were finally able to set foot on the ground could be estimated at a maximum of from 800 to 1,000 but are reportedly practically enclosed, the main units not being able to advance beyond the beachhead.

Meanwhile, very high level Argentine Armed Forces circles follow the evolution of the military operation with natural attention and observe the announcements on possible assistance and reinforcements that Great Britain may continue to receive, without forgetting the statement by Haig regarding "military" assistance which the United States might have provided already.

As has been said, the material losses experienced by Great Britain are considerable and only continuous aid from its allies will permit them to continue sustaining such losses. Possible calculated losses amount to no less than 18 to 28 aircraft which have been destroyed and, according to authorized sources, planes with RAF colors have been seen operating lately, this meaning that the planes of the fleet, strictly speaking, are no longer sufficient in number. This had been anticipated by LA NACION some weeks ago as a possibility that is now being confirmed by the facts.

Last night a concern conveyed to LA NACION by high military commands raised an enigma as to the step that Argentina might be forced to take "if Great Britain continues counting on assistance from the United States, New Zealand, etcetera."

The military source underscored the situation in the following terms: "We meted out alot to the British but no matter how much we mete out to them, if they can count on indefinite replacements, we will end up without equipment unless we accept equipment offered to us, regardless of where they come from."

It is known that at least one of the commanders in chief, in an informative meeting with high-ranking retired officers, said that it is up to Argentina alone whether or not to open important channels of Soviet military supplies, whether in a direct or indirect form, so far Argentina has been very careful in this regard.

NEW SERIES OF ECONOMIC MEASURES TO BE ENFORCED

PY250458 Buenos Aires NOTICIAS ARGENTINAS 2245 GMT 24 May 82

[Text] Buenos Aires, 24 May (NA) -- The Argentine Government will reportedly enforce a new series of measures to facilitate the financing of the war and increase the level of reserves to enable the purchase of strategic war material.

This was reported today by high-ranking Central Bank officials to directors of the main banking institutions of the financial system. They reported that among these new measures is a new increase in the price of fuels.

GOVERNMENT WARNS PEOPLE ON WAVE OF VIOLENCE

PY221409 La Paz Radio Illimani Network in Spanish 1100 GMT 22 May 82

[Excerpt] The government voiced a second warning yesterday. In a strong warning to the country, the government stated that the intention to democratize the country has been harmed by the wave of violence unleashed by groups from different political sectors. This statement was made by the minister-secretary of press and information, Mario Maranon Zarate, at the end of a meeting held by the ministers of state at the presidential residence of (?San Cosme). The special cabinet meeting is studying the problems currently worrying the nation, the minister stated. The manifestations and statements used are becoming violent, and to some extent are tarnishing the democratic process initiated by the government, Maranon added.

He voiced a strong warning: This is very dangerous, because while the government is granting concessions and is firm in its decision to begin a democratic process, there are forces that are acting in an adverse manner and contrary to the government's intentions. He made an ardent call for meditation and calm.

In answer to journalists' questions, the information minister stated that the government is in the midst of a democratic process, and when one is doing this, all persuasive measures must be exhausted for a feasible dialogue and understanding between the two sides. He explained that the two sides at this moment are the government and the small opposition groups. He added that these small groups want to turn economic problems into political problems. He reiterated that the government is firm in its position to democratize the country, and to achieve this, he asked for honesty and responsibility by the opposing side.

Democratization Still On

PY211624 La Paz Radio Illimani Network in Spanish 1100 GMT 21 May 82

[Text] Gen Natalio Morales Mosquera, Bolivian Air Force [FAB] commander, has stated that the government is undertaking a normalization campaign which will lead to the democratization of the country within a specific period and which, moreover, establishes the return of the armed forces to their barracks.

Asked about the statement issued by retired generals who suggested the withdrawal of the armed forces from the government, the FAB commander noted that this statement concerned the three branches of the armed forces, which will return to their barracks within the period that has been established by the government. General Morales Mosquera also noted that during the meeting yesterday afternoon, the military command and the president discussed the present national situation, particularly the unstable situation affecting all national levels.

OBJECTION TO PRIVATIZATION OF CHILEAN PORTS

PY241842 La Paz Radio Illimani Network in Spanish 1100 GMT 24 May 82

During a meeting in Santiago, Chile, this coming Wednesday, Bolivia will officially express to the Chilean Government its rejection of the transfer of the management of the ports of Africa and Antofagasta to the private sector. Implementation of this measure by Chile would violate the agreements signed under the 1904 treaty, in which Chile undertook to grant port facilities in that area of the Pacific Ocean to Bolivia.

The Bolivian position was stated by the delegation that attended the meeting of Chilean and Bolivian technical commissions in Santiago, 19-24 May.

U.S., BRITAIN SAID PLANNING BASES IN FALKLANDS

PY250111 Buenos Aires TELAM in Spanish 1630 GMT 24 May 82

[Text] Rio de Janeiro, 24 May (TELAM) -- Ambassador Alvaro Teixeira Soares, former director of the political and diplomatic division of the Brazilian Foreign Ministry, today charged that Great Britain and the United States are planning to set up military bases on the Malvinas Islands in order to control maritime traffic in the South Atlantic. His remarks became known here today when they were released an exposition he made during a debate on the Malvinas conflict and its consequences for South America sponsored here by the study center of the Bennett Schools.

He indicated that the British and U.S. bases in the Malvinas would be a key to the South Atlantic, opening the possibility for both countries to control shipment of all the oil from the Middle East.

Teixeira Soares also stated that the crisis in the Malvinas proved the incompetence of legal instruments in solving problems of international law, since we are living in a divided world in which the norms of law are respected only when they are supported by economic forces. After warning that it is no longer possible to trust the power of legal force to solve international problems, the Brazilian diplomat said the Inter-American Reciprocal Assistance Treaty "died a natural death because the United States considered Argentina the aggressor."

ARGENTINA INTERESTED IN ROCKETS FROM BRAZIL

PY241834 Buenos Aires TELAM in Spanish 1647 GMT 24 May 82

[Text] Rio de Janeiro, 24 May (TELAM) -- Spokesmen for Brazilian arms firms consider that at the present time Brazil could be the best supplier of certain types of weapons to Argentina as a result of the geographic proximity of the two countries. In statements today in the local press, the spokesmen emphasized that material for the Argentina could be sent by land, avoiding the British air and naval blockade in the South Atlantic.

They also confirmed that Argentina is interested in buying Brazilian medium-range rockets, and has been holding negotiations on this with AVIBRAS -- the private firm with plants in Sao Jose dos Campos in Sao Paulo State. They added that Argentine interest centers on the X-40 surface-to-surface missile, also known as the SS-60, which has a range of 65 km.

On the other hand, they noted that Brazil could supply the Argentine armed forces with Cascavel armored cars, which are highly efficient on sandy terrain. "Unlike from other armored cars, the Cascavel has wheels, and thus would be ideal for that type of terrain," the spokesmen explained.

AUTHORITIES DENY ATTACK ON JUSTICE MINISTER

PY222254 Paris AFP in Spanish 2237 GMT 22 May 82

[Text] Brasilia, 22 May (AFP) -- Brazilian authorities have denied that Justice Minister Ibrahim Abi-Ackel was attacked in Brasilia yesterday but escaped, as reported today by the newspaper O ESTADO DE SAO PAULO. In an exclusive, the paper reported this morning that a shot was fired from outside the Justice Ministry into the minister's office and passed 3 meters from Abi-Ackel.

The justice minister himself denied the alleged attack and said the projectile that entered his office would have been a nut thrown by a lawn mower in use below, outside the building. Abi-Ackel added that he is accustomed to taking walks alone, "and they could have chosen a more appropriate moment if they wanted to attack me."

FLEET TO PROLONG CURRENT OPERATIONS IN SOUTH

PY250137 Paris AFP in Spanish 1544 GMT 24 May 82

[Text] Punta Arenas, Chile, 24 May (AFP) -- The combat fleet of the Chilean Navy will extend its stay preventively in the southern area of the country, close to the scene of the Argentine-British war, it was reported here today. The commander in chief of the naval force, Rear Adm German Guesalaga, stated: We have not come here to join one or the other side, but the ships will stay for a certain time. With a conflict at our doorstep, we have to take some precautions, since one never knows how things may develop, he added.

The Chilean fleet, headed by cruiser O'Higgins, moved toward Punta Arenas, 750 km southwest of the Malvinas and 2,500 km south of Santiago, just after the crisis between Argentina and Great Britain broke out at the beginning of April. At that time it was reported that the fleet would carry out routine exercises which in normal times are carried out at some other time of year.

For us, stated Guesalaga, the Magellan area (whose capital is Punta Arenas) is the most important, not only because of the training we can carry out over there, but also because it is an area of exceptional geopolitical and geostrategic importance for Chile. Following a long trail of thousands of islands, which begins at parallel 42, close to the Andes and the border with Argentina, (the continent) is crossed by the Magellan Strait between the Atlantic and the Pacific, across the Antarctic's Drake Sea. If at some time the Panama Canal is closed -- heaven forbid -- all traffic between the two oceans, including that coming from the Indian Ocean, would go through (this) passage; there is no other possibility, said the admiral. This is clear not only for Chile but for all great powers such as the Soviet Union, which will try to obtain a penetration point in the area, he added.

According to the admiral, the conflict between Argentina and Great Britain is awfully painful, since they are friendly countries. Our best hope is that this will be settled through legal means. They will say we are too legalistic, but even though we have the force, we do not like to use it unless needed to defend the law. This is my point of view and that of the Chilean Navy, he said.

UK HELICOPTER CREW NOT AT SANTIAGO EMBASSY

PY250116 Paris AFP in Spanish 2025 GMT 24 May 82

[Text] Santiago, Chile, 24 May (AFP) -- The crew of a British helicopter that crashed last week in southern Chile was not taken to Santiago, nor is it at the British Embassy here, sources at that diplomatic mission reported here today. The helicopter, a Sea King of the British forces participating in the conflict with Argentina in the Malvinas Islands, was found last Thursday without its crew near the Magellan Strait, at the southern border of the Chilean continental territory and 750 km west of the theater of operations.

Unofficial reports from Punta Arenas, 2,500 km south of Santiago, indicated that the three occupants of the Sea King came to this capital to be sent to London by their embassy. It is press speculation that is groundless, stated a senior officer who was questioned on this rumor. The helicopter incident provoked a Chilean protest to the British Government, which in reply regretted the incursion into the airspace of this neutral country.

BRIEFS

CHILEAN-VENEZUELAN CHAMBER -- The Chilean-Venezuelan trade, industry, tourism and transport chamber has been created. The objective of this chamber is to encourage exchange between the two countries. The ceremony during which the chamber was created was attended by Venezuelan Ambassador to Chile Juan Moreno Gomez. [Santiago Chile Domestic Service in Spanish 1100 GMT 20 May 82 PY]

GOVERNMENT SAID WORKING ON FALKLANDS PROPOSALS

PY250702 Buenos Aires TELAM in Spanish 0228 GMT 25 May 82

[Text] Montevideo, 25 May (TELAM) -- During a press conference this afternoon Uruguayan President Lt Gen Gregorio Alvarez revealed that Uruguay will make three proposals to end hostilities in the South Atlantic. The chief of state said the Uruguayan Government had voiced its position appropriately regarding the conflict in the South Atlantic, which started to take shape around 1 April. However, developments compel the government to direct with particular seriousness, particular concern, its efforts to promote a solution which will be honorable for the countries with interests in the conflict.

Alvarez added that "in the first place we believe that at this moment the indispensable condition to achieve an honorable and satisfactory solution to the conflict is to achieve a cease-fire. Each man who dies in battle generates rancor, a thirst for revenge and a lot of sorrow." He added: "Nevertheless, the government of my country, during the past few hours, has been working hard to make proposals, according to that urgent and high-priority need to achieve a cease-fire, based on the following three basic ideas:

"The first is that the frustrated and unsuccessful attempts to achieve a conciliation up to now have only added to the North-South schism an East-West schism within the democratic world to the benefit and pleasure of the communist bloc."

The president continued: "The second idea is that, whatever the outcome of the conflict achieved through the use of arms, the Malvinas in the future will represent both a permanent and active element of irritation and conflict in the South Atlantic. And the third idea," he pointed out, "that we have to take into consideration in order to make a specific proposal is that the priority objective of the mission of the armed forces of the countries which comprise our civilized world should be to safeguard and impose peace instead of winning a war with expansionist purposes."

Alvarez stated that "we are working on these ideas in order to reach a satisfactory result and come up with a proposal that will be honorable for the parties in order to achieve an urgent cease-fire."

Alvarez said that during the past few hours Uruguay has informed Great Britain that the River Plate waters are ruled by an already established regulation in force for many years, and therefore it does not accept the River Plate being considered an estuary, as Great Britain intends. Alvarez stated that the note handed to Ambassador Patricia Hutchinson ratifies the Uruguayan position in response to an already known position of the United Kingdom.

The chief of state also said the Uruguayan Government is maintaining strong relations with the governments of the two parties in conflict (Argentina and Great Britain) and that the Uruguayan Government has received the assurance of British Government intentions to avoid by all means harming the Uruguayan Government and the River Plate sovereignty since that is not the British intention.

The president ended by recalling his statement during a press conference on his visit to Chile last month: I continue to maintain that we are on the brink of World War III so long as the main condition of a cease-fire is not achieved.

UK Stand on River Plate

PY250045 Buenos Aires LATIN in Spanish 1649 GMT 24 May 82

[Excerpt] United Nations, 24 May (LATIN-REUTER) -- Great Britain has officially informed the Uruguayan Foreign Ministry that it considers the River Plate part of the Atlantic Ocean and therefore included within the exclusion zone. This was stated today by Jorge Azar Gomez, Uruguayan representative to the United Nations. Azar Gomez said he was awaiting a communication from the Uruguayan Foreign Ministry to submit an official note of protest to the UN Security Council.

BRITISH HOSPITAL SHIP EXPECTED IN MONTEVIDEO

PY250056 Buenos Aires TELAM in Spanish 2223 GMT 24 May 82

[Text] Montevideo, 24 May (TELAM) -- A British ship transporting wounded from the Malvinas Islands left the South Atlantic war zone yesterday and is currently sailing slowly toward Montevideo, according to rumors disseminated by the press here today. Foreign Minister Estanislao Valdes Otero disclosed last night that a British hospital ship will arrive in Montevideo early this week.

According to the local press, the ship will enter Uruguayan territorial waters within the next few hours, probably tonight. It said at least three hospitals in this city are on alert, awaiting the arrival of the wounded, and one of the hospitals has allocated two stories of its building for this purpose. No official report was issued either on the number of wounded who will be arriving in Montevideo on board the British ship or on the characteristics of the ship.

CARGO FLIGHT FROM SOUTH AFRICA CONFIRMED

PY241847 Montevideo Radio El Espectador Network in Spanish 1600 GMT 24 May 82

[Excerpts] The Johannesburg daily STAR today reported that an Uruguayan cargo plane brought weapons to Argentina labeled as spare tractor parts. El Espectador contacted the Aero Uruguay, the only line that operates a large plane. The company confirmed that a special flight was made from Malan to Ezeiza airport on 5 May. (Basilio Munoz), sales manager and spokesman for the company, told El Espectador that 48 tons of boxes of spare parts for tractors were loaded and that no other information is known. He also said that as of this time there are no plans to make another flight.

PRESIDENT TERMS RELATIONS WITH U.S. EXCELLENT

PY250309 Paris AFP in Spanish 0149 GMT 25 May 82

[Text] Montevideo, 24 May (AFP) -- Diplomatic relations between the United States and Uruguay are excellent, the Uruguayan president, Lt Gen (Ret) Gregorio Alvarez, stated here today in reply to a question regarding the declaration of persona non grata of an official of the U.S. Embassy.

The measure taken against James Cason, first secretary and head of the Political Section of the embassy, is one of a personal nature against an official who was unable to comply with his specific duties, Alvarez said.

It was learned in government circles that the measure against Cason was prompted by unfavorable remarks he made about Uruguayan policy in the presence of a high-ranking official at the Foreign Ministry.

EL SALVADORGUATEMALAN, HONDURAN ECONOMY MINISTERS PAY VISIT

PA242123 Panama City ACAN in Spanish 2020 GMT 24 May 82

[Text] San Salvador, 24 May (ACAN-EFE) -- ACAN-EFE today learned unofficially that the Honduran and Guatemalan economy ministers, Gustavo Adolfo Alfaro and Julio Pablo Matheu, are on a nonofficial visit to El Salvador. According to the information, the Honduran and Guatemalan economy ministers were invited to El Salvador by private business executives, and this morning they met with Salvadoran Economy Minister Jose Manuel Pacas Castro [name as received]. The purpose of the visit and the nature of the subjects that were discussed with Pacas Castro and the private business executives are not known.

SHAFICK HANDAL SEES NEW GOVERNMENT AS U.S. TOOL

PA242017 Managua Domestic Service in Spanish 0000 GMT 23 May 82

[Text] Commander Jorge Shafick Handal has told Venceremos, the official FMLN newspaper, that the FMLN attitude toward the new Salvadoran Government is a firm determination to continue to lead the Salvadoran people's heroic struggle for freedom, independence and the just peace they deserve. Commander Shafick added that this position is based on the fact that the new government was created by the Reagan administration to continue the counterrevolutionary war and its military intervention in El Salvador.

As for the fascist Nationalist Republican Alliance Party, ARENA, Shafick said that it demagogically advocates the principle of national independence, while in practice it perpetrates the most atrocious genocidal actions, in order to maintain terribly unjust and backward social structures. He pointed out that El Salvador is becoming a U.S. colony and that its government is openly manipulated by the United States, to further its aggressive policy in the region.

GUATEMALAMILITARY JUNTA MEMBERS SIGN AMNESTY DECREE

PA250313 Panama City ACAN in Spanish 2352 GMT 24 May 82

[Text] Guatemala City, 24 May (ACAN-EFE) -- Today, Col Manuel de Jesus Sanchez, secretary general of the military junta, stated that the general amnesty granted by the Guatemalan Government to persons or groups involved in guerrilla activities will become effective this coming Monday and has a maximum duration of 30 days. Colonel Sanchez reported that the decree was signed this morning by the three members of the military government junta and will be published this afternoon in the official newspaper.

The amnesty is being granted to guerrillas who have been participating in violence and the members of the state security forces who have participated in antisubversive actions. Manuel de Jesus Sanchez added that amnesty is being granted for political and related crimes. Furthermore, he stated that the guerrillas must appear before the military authority closest to them, turn in their weapons and take an oath that in the future they will not participate in antigovernment activities.

Colonel Sanchez indicated that there are many people within the "subversive" factions who are not indoctrinated and who were coerced by the armed groups. Therefore, the military junta will consider each case separately. Also, the junta secretary added that efforts will be made to get jobs for those eligible for amnesty "because it is logical that when they surrender they will have no means of subsistence." After signing the decree, Gen Efraim Rios Montt, president of the military Junta, stated that "subversion will be fought with peace and love."

NICARAGUACOUNTERREVOLUTIONARIES SEEN AIDED FROM ABROAD

PA241935 Managua Domestic Service in Spanish 1200 GMT 24 May 82

[Text] Commander Lenin Cerna, chief of the state security bodies, has charged that the Nicaraguan Democratic Movement, MDN, has stopped being an opposition party inside Nicaragua and has become an armed counterrevolutionary organization in exile. Companero Cerna also reported that Alfonso Robelo and other leaders of that party have chosen voluntary exile, thereby obeying Yankee orders to try to unify and focus the counterrevolutionary political forces. Lenin Cerna said that for the time being, the CIA has decided that the MDN will have as its armed branch the group led by a traitor to Sandinism. However, he noted that it is not ruled out that Robelo and his friends will try to organize forces to act from Costa Rica against Nicaragua.

After indicating that the alliance between those two counterrevolutionary groups is encountering some difficulties due to the great individual ambitions of both leaders, Commander Lenin Cerna said that an example of the agreements they have reached is that the new counterrevolutionary station called La Voz de Sandino is under the direction of "El Negro" Jiron, who left Nicaragua with Robelo.

The chief of the state security bodies referred to the negative role played by some religious sects. These sects foment counterrevolution by manipulating the people's faith. Such a sect is the Jehovah's Witnesses, who encourage disrespect of the symbols of the revolution such as the flag and the national anthem. He charged that the Jehovah's Witnesses exhort the young people of the communities not to join the militias and the Sandinist People's Army [EPS], arguing that the defense of the fatherland is contrary to the faith they profess. Lenin Cerna added that the Mennonites and the so-called Children of God frequently use their religious services to foment counterrevolution. He noted that it is no accident that Somozist guardsmen captured or killed in action have had Bibles in their possession. He added that the Somozist guardsmen carry Bibles not because of their religious faith but because they want to pass as pastors.

Commander Lenin Cerna also disclosed the ties between the CIA and the counterrevolution. (?Discussing) the counterrevolutionary activity abroad, Lenin Cerna made a statement published in yesterday's BARRICADA on the objectives of those groups: They want to divert the people's attention through the two counterrevolutionary radio stations and the sects; they want to infiltrate highly specialized elements, and they want to unite the bands that act from abroad and the groups that act in our territory. He said this is the reason for the appearance of bands made up of at least 100 members such as those which the EPS and the militias have engaged in the northern region, which are under the direct orders of the CIA.

Commaner Cerna said that available information permits one to state that foreign pilots, who are mercenaries recruited by the CIA, have appeared in Costa Rica and Honduras, indicating that the counterrevolution is about to launch an adventure on a larger scale. The chief of the state security said that the direct role of the CIA has increased and that, in point of fact, it can be stated that the chiefs of the terrorist groups which blew up the Rio Negro bridge and detonated the bomb in the Sahsa airplane were foreigners.

He said that in practice, there is a type of territorial division in the counterrevolution. The bands of the Nicaraguan Democratic Union-Revolutionary Armed Forces and groups of former guardsmen with their own leadership essentially operate in the departments of Madriz, Nuevo Segovia and Jinotega. The groups of Steadman Fagoth and other former guardsmen operate on the banks of the Rio Coco.

In his remarks to BARRICADA, Commander Cerna noted that professional terrorist agencies, well-identified ideological centers and governments of the area which have delivered a deep hatred of the Nicaraguan people's process are acting against the revolution from abroad. Lenin Cerna also reported the number of leaders of counterrevolutionary bands who have been killed by the state security, the EPS and the militias. These included several former justices of the peace during the Somoza era.

EDEN PASTORA PREDICTS WAR WILL BEGIN 'SOON'

PA241528 Madrid EFE in Spanish 1010 GMT 24 May 82

[Text] Madrid, 24 May (EFE) Eden Pastora, the legendary Commander Cero, has said during an interview that was published by the Spanish magazine TIEMPO that soon there will be a war in Nicaragua. Eden Pastora noted that "it will not be necessary for anyone to leave the country because the war will take place in the country and I will be there." He added: "I will conspire from Honduras, from the Atlantic coast and from cities on the Pacific. The length of time I may have to wait won't bother me."

Commander Cero explained how the situation became what it is now after the triumph of the revolution. He told the weekly that the coalition made up of the nine commanders has failed. "Six of them," he said, "were unable to control the other three. Furthermore, we are now threatened by a confrontation with imperialism and we are receiving little support from the Socialist International and the European countries as well as little or no support from Latin and Central America. We are alone and we have brought the East-West problem to Nicaragua."

In reference to his personal situation, Eden Pastora said that "from the very beginning I had intended to dedicate myself to internationalism, and the FSLN Directorate did not disapprove, but later things changed and it was alleged that my departure from Nicaragua was due to a power struggle." Commander Cero added: "But how is anyone going to struggle for power by going to Guatemala, or Colombia or El Salvador to fight? Later they said it was a CIA plan, a Torrijos plan, in specific, to destabilize the government. In Panama, I spoke with Tomas Borge and both of us spoke with some Guatemalans so that I would go to that country to fight."

Eden Pastora added: "They had me locked up in Cuba; I was held for 5 months, until Fidel Castro intervened. A few months later, in November, [name indistinct], one of the strong men of the junta at that time, said that I was conspiring against the Directorate. This was a tacit death sentence; therefore, I went to Mexico."

Commander Cero said he wrote two letters to the junta explaining his position, but he received no answer.

Pastora was asked if he had gone to Libya and Algeria to seek aid. He answered: "I obtained \$5 million in Tripoli for the Guatemalan cause with the condition that I should withdraw the money in Managua. Then I returned to Cuba and there I was prevented from going to Nicaragua to withdraw the funds. It was alleged that these funds would give me economic and political power."

Eden Pastora said that when the Holy Week celebrations were suspended in Nicaragua, "I realized that they were tampering with the most potentially dangerous aspect of a people, their idiosyncrasy, their way of living, and I told myself: This is going bad; something has to be done before the gringos or the National Guard overthrow us."

Commander Cero concluded by saying: "The people must maintain a Sandinist revolutionary posture and must not play the National Guard's game. To do this, they need support."

COMMANDER RUIZ REPORTS AGREEMENT WITH USSR

PA212346 Managua Domestic Service in Spanish 1200 GMT 21 May 82

[Text] Planning Minister Commander Henry Ruiz yesterday announced during a news conference that Nicaragua has signed two financial agreements that open a new economic future for the country. These agreements are part of the results of the visit that a delegation of the revolutionary government made to socialist countries such as the Soviet Union and Bulgaria. Commander Ruiz noted that these agreements do not represent any political commitment, but an advance in the development of honest trade relations. He said that the credits are long-term, with low interest rates that will not change with the ups and downs of international economics. He said that the agreement signed with the Soviet Union includes one for \$50 million that will be used for the production of energy, and on mineral and telecommunications resources, and another one for \$100 million for the development of agricultural, industrial and fishery sectors and supplies [INSUMOS]. Regarding the agreement signed with the Bulgarian Government, the planning minister said that a previous credit has been doubled and it is now for \$18 million that can be used for the purchase of machinery necessary in the expanding of Port el Bluff, and Puerto Cabezas, the development of a hydroelectric dam in the (Ye Ye) River and the purchase of agricultural machines and equipment. Some of the benefits of the two financial agreements signed recently with the Soviet Union and Bulgaria include the construction of two dams with a capacity of 350 and 14 megawatts, using the hydraulic resources of the Rio Grande and (Ye Ye) river to obtain hydroelectric energy.

In the mineral field, there will be prospecting and the evaluation of gold reserves to determine our mining potential, especially in the northwest and north of the country. Nicaragua, with Soviet support, will have communications with the rest of the world through he linking of the Nicaraguan communication system to the Soviet inter-Sputnik. The protocol also calls for the supplying of equipment -- harvesters, graders, tractors and others -- as well as technical assistance, spare parts and maintenance. Also, studies will be made to supply raw material to enterprises that are paralyzed for lack of raw material, a situation that results in workers unemployment. To this effect, the Soviet Union will install in the next few months a repair shop that will attend the San Juan del Sur fishing fleet.

Regarding the importance that these agreements have for the country, Planning Minister Commander Henry Ruiz has said: [Begin recording] If we build a 180 megawatts dam, this would save the country \$60 million annually, considering present oil price. This investment would lessen the problem that has already been mentioned by a companera who noted that we are buying oil at higher prices and selling our cotton at lower prices. This is perhaps what BARRICADA was referring to when it discussed energy independence. What we want to indicate is that we are moving on to a big constructive effort, that the construction, mining and forest sectors will be strengthened and that we are going to try to fix the industrial sector. For your information, the industrial sector was left in the worst condition in this country. We are studying anew form of payment and despite the fact that some say it is [word indistinct], we have to say this: In our country, the international economic crisis is acting like a whip.

Often, the internal production effort is hit by prices. Last year, we lost \$60 million as a result of prices. That is, we produced but we were paid less for our products. Coffee, cotton, sugar, beef, everything had a lower price, and we had to import equipment, consumption goods, etc, at higher prices. We estimate that in 1982 we will have a loss of approximately \$100 million, even if there is an increase in production. When we speak of price we don't mean primary prices. We are trying to secure prices that will stop the situation that harms the economy despite all efforts. In the capitalist division of work, we occupy the position of those who must always lose and never win. We are a nonaligned country and you know that we have proposed, promulgated and struggled for a new international economic order more just and more in line with our people. [end recording]

HAVANA CITES DER SPIEGEL ON UK CONTINGENCY PLANS

FL241545 Havana Domestic Service in Spanish 1400 GMT 24 May 82

[Text] Bonn -- The British task force in the South Atlantic has been empowered to use nuclear weapons in case a mass attack by the Argentine Air Force threatens it with destruction, according to the West German newspaper DER SPIEGEL. The newspaper quotes U.S. secret service sources, according to which the British task force commander has received instructions to resort to this measure if faced with serious circumstances. The newspaper further adds that a British mass landing on the Malvinas would be a suicide operation unless the ships could be brought closer to the islands, tactical nuclear weapons could be employed, or the Argentine airports could be destroyed by Vulcan bombers.

CASTRO ADDRESS NONALIGNED LEADERS ON FALKLANDS

PY250434 Buenos Aires TELAM in Spanish 0350 GMT 25 May 82

[Text] Buenos Aires, 24 May (TELAM) -- Fidel Castro, president of the Movement of Nonaligned Countries, has sent a message to the heads of states which are members of the movement. In it reference is made to acts of massive aggression against Argentina by the United Kingdom.

The text of the message reads as follows: "I address you with utmost urgency in view of the real possibility that in the next few hours the British Government, with the support and cooperation of the United States, will launch its air and sea forces in new massive acts of aggression against Argentina.

"All the attempts at negotiations between the two countries are at a dead end, and the latest dispatches of press agencies carry ever more threatening declarations by London officials who count on Washington's support.

"This is a colonialist war which, given its character and evolution, is intended as a lesson from the great powers to all the nonaligned countries no matter what their political or social regime to dissuade them from defending their sovereignty and territorial integrity; and this war is about to enter into its most painful and criminal stage.

The message continues to say: "In the interest of the defense of each and every one of our countries, and above all, in the interest of humanitarian solidarity with the Argentine people and the British soldiers who were thrown into combat, we voice our most firm condemnation of the continuation of such hostilities, and make an appeal for a political and negotiated solution to the conflict on the basis of respect for Argentina's sovereign rights.

The message ends by saying: "Taking into account the decisions adopted on the Malvinas case by the conference of nonaligned countries and the communiques issued by the Coordination Bureau through the United States since the onset of the crisis, I appeal to you to undertake any action that you consider as prudent to take in order to halt the imminent British-U.S. aggression against the Argentine people."

LEADERS GREET MOZAMBIKAN PRESIDENT SAMORA MACHEL

FL242058 [Editorial Report] Havana Domestic Television Service in Spanish at 1949 GMT on 24 May carries live color coverage of the arrival at Havana's Jose Marti International Airport of Mozambican President Samora Moises Machel, who will spend "several" days on an official visit to Cuba at the invitation of Cuban President Fidel Castro. The Mozambican Airlines jet lands at 1952 GMT and taxis down the landing strip to a spot where a unit from the Havana City garrison stands ready to welcome Machel.

A huge portrait of Machel and Cuban and Mozambican flags adorn the area. Machel descends from the plane and embraces Fidel Castro. The Cuban and Mozambican anthems are played while a 21-gun salute is fired. Castro and Machel review the honor guard and then walk down a receiving line of Communist Party officials, including Politburo members Juan Almeida, Ramiro Valdes and Carlos Rafael Rodriguez, government officials and the diplomatic corps. Machel approaches a group of Mozambican students waving Cuban and Mozambican flags. The students shout slogans and sing a native song. The two leaders then climb into a limousine and leave the airport.

OFFICIAL SAYS RADIO MARTI CAN BE COUNTERED

FL241515 Havana Domestic Service in Spanish 1000 GMT 24 May 82

[Excerpts] Numerous activities continue throughout the country honoring the Cuban Radio and Television Institute's [ICRT] 20th anniversary. On Saturday, a solemn ceremony was held in Havana commemorating the important date. The ceremony was presided over by alternate Politburo members Antonio Perez Herrero and Jose Ramirez Cruz; Central Committee member and vice president of the Council of Ministers, Jose Ramon Fernandez; alternate Central Committee member and chief of its Department of Revolutionary Orientation, Orlando Fundora; and ICRT president, Nivaldo Herrero.

Antonio Perez Herrero, also member of the party Secretariat, condemned the U.S. imperialist's plan to put on the air the counterrevolutionary radio station, which adding insult to injury has been named Radio Jose Marti. Perez Herrero said he was certain that knowing our cause is just and relying on the efforts of the Cuban broadcasting workers, we can counter the ideological venom spread by this imperialist station.

A Managua domestic broadcasting service [Radio Sandino] guest delegation also presided at the ceremony.

FOREIGN MINISTER WELCOMES GUYANA'S JACKSON

FL241400 Havana Domestic Service in Spanish 1000 GMT 24 May 82

[Text] Cuban Foreign Minister Isidoro Malmierca welcomed Guyana's Foreign Minister Rashleigh Jackson at the capital's airport. He is leading a Guyanese delegation to Cuba and will take part in a program developed in his honor. He will also attend Nonaligned Movement minister's meeting scheduled for 31 May.

NONALIGNED COORDINATION BUREAU TO MEET IN HAVANA

PA212202 Havana International Service in Spanish 1800 GMT 21 May 82

[Text] The Coordination Bureau of the nonaligned countries will meet in Havana from 31 May to 4 June, for the purpose, among other things, of reviewing the international situation and determining which political and economic deserve attention by the heads of state who will participate in the forthcoming summit scheduled for September. This important meeting will approve the agenda of the summit meeting scheduled to be held in Baghdad, the Iraqi capital. It will also review applications for admission of new members and observers at the Nonaligned Movement.

Compliance with the decisions and agreements of the sixth summit held in Havana in 1979 and the ministerial conference held in February 1981 in New Delhi, the Indian capital, will also be reviewed. The bureau is the executive and coordinating organ of the Movement of Nonaligned Countries. During its meeting in Havana, it will hold a preliminary exchange of views regarding the draft of the sixth conference's final declaration. The meeting of the Coordination Bureau of the nonaligned countries will be held at the ministerial level.

CASTRO ADDRESSES ANAP CONGRESS CLOSING

FL180000 Havana Domestic Service in Spanish 2123 GMT 17 May 82

[Speech by Cuban President Fidel Castro at the closing ceremony of the Sixth National Association of Small Farmers [ANAP] Congress at Havana's Karl Marx Theater -- live]

[Text] Distinguished visiting delegations, party and government comrades, comrade delegates, guests all.

My situation is similar to that of [ANAP Vice President Juan Jose] Leon, I am given a subject and told to make a speech. However, I must confess that one is always bound to feel inspired at a closing ceremony like this one, a congress like this one, and it will not be difficult to express thoughts and feelings. [applause]

The fact is that today we are commemorating three very important historical and beloved dates. The first is the murder, in 1946, of Sabino Pupo, no, [Castro corrects himself] Niceto Perez.

We can say that, as [ANAP President] Pepe Ramirez' report stated, Niceto Perez' death became after some time a victory. That death was vindicated. Yet another 17 May, this time in 1959, in the liberated fatherland and surrounded by the mountains where historical revolutionary battles were fought, the first ANAP congress took place, as Pepe also reminded us.

It is good to look back from time to time because some of us who participated in that congress may now find it hard to believe that once upon a time we lived the way we did in the past. We must look back in order to be able to fully assess the road which we have traveled over these 23 years. We must recall the first law on agrarian reform and the way things were at that time, what our thoughts, our concerns were.

In those days we did not even have a clear-cut idea of what we were going to do, that is, which system of production we were going to choose. The main goal was to fulfill the promise to liquidate too large estate holdings and to put an end to the exploitation of our agricultural workers and peasants once and for all.

However, in those days the most essential issue, the main subject of our discussion was: What were we going to leave the landowners? What kind of agrarian reform were we going to implement? What degree of radicalization was that agrarian reform to have? The fact was that everybody was perfectly aware of the challenge which that agrarian reform posed, of the battle which would start with that agrarian reform.

I remember very well that in those days we had a group of agricultural experts, just to call them something, because more than anything else they were a bunch of amateurs who liked agricultural affairs. Among them were, unless my memory fails me, Carlos Rafael, Nunez Jimenez, who had written on Cuban geography; we also had Che in that group. [lengthy applause]

The topic which most frequently came up for discussion was the ceiling for land ownership. We took into consideration that certain Yankee enterprises had up to 20,000 caballerias. Finally we agreed and said: All right, the ceiling will be 30 caballerias and if the land was well taken care of and well farmed, the ceiling would be 100 caballerias.

In any other country to speak of 30 caballerias would have been an exaggeration, but in our country, where there were many large estates of many thousands caballerias each, the 30 caballerias ceiling was really enormous. This ceiling was the key factor in our agrarian reform, it gave an indication of the depth to which we were prepared to carry the agrarian reform. This ceiling meant the end to all large estates in Cuba and the disappearance, of course, of all large estate holdings of all imperialist enterprises in our country.

We made this decision. The group of experts supported by other comrades continued working on that law on agrarian reform. The important part, in fact, was not the technical aspects of the law but the contents of that law regarding the depth of the agrarian reform. It spoke about zones of development, land distribution, and so forth. Naturally, we had also reached the decision of putting an end to the payment of rent, to sharecropping, to squatting, by giving legal rights over the land to the peasants who held it as rentees, squatters, settlers, and so forth.

This was one of the bases of that law, to free the farmer from exploitation and make him the owner of his land. However, it was not quite clear to us what were going to do with the large estates. So far, the only thing that the law included, the way the experts had drawn it up, was land distribution. This last idea had always received a great deal of support.

I had been thinking about these agricultural problems for a long time and whenever I had the time. I remember very well that at the time of the attack on the Moncada barracks we were already subtly discussing superior systems of production. We used to discuss land distribution, we discussed freeing the peasants from the payment of rent, and we also discussed cooperatives.

When I was reading the draft of the law for the last time while traveling in a plane, I read it once, I read it twice and nowhere could I see the word cooperative written, so I went ahead and added another paragraph to the draft law. This was legal because the law had not been approved or promulgated. I went ahead and included the cooperatives in that law.

It was a good thing, it was really good thing I did because otherwise the creation of any cooperative would have been a violation of the law, at least it would seem that way.

Thus one of the superior systems of production was included, one of the systems, I say, because the other one is the state enterprise. The latter was not included in the law and it was created later, not against the law but in a revolutionary and de-facto manner. The first agrarian law did not, in fact, provide for state farms because the farms were the result of the evolution of agrarian thought.

The proclamation of the agrarian law naturally awakened great enthusiasm among the peasants. I used to think that an agrarian reform through land distribution had a place in revolutionary thought because the peasants usually demand it and because there are certain political circumstances in which land distribution is the only option available since it is, beyond any kind of a doubt, the most politically suitable of measures, the measure which gives rise to more revolutionary support.

Wonderful! But it could go as far as to liquidate agricultural production. I knew that in our country the revolution had great support from workers and peasants and that for merely political reasons we should not create hundreds of thousands of large estates. In addition to this, land distribution had one drawback; there was not enough land for everyone. When land distribution was being discussed, many city residents were hoping that they would get a piece of land.

The distribution of land at the rate of 1 caballeria per family would benefit 100,000 or 150,000 or 200,000 families but hundreds of thousands of families would have no land at all. We would have had to distribute even smaller pieces of land, further aggravating the situation.

We had no real political need to implement land distribution. In a way, we distributed the land of the large estates when we made more than 100,000 peasant families into owners of the land which they were farming.

It so happened that in our country agriculture had followed a pattern of capitalist development. We had sugarcane, rice and other plantations, large cattle ranches. We had an agricultural proletariat as well. A proletariat which, headed by the sugarcane croppers, had done outstandingly well in workers' struggles.

I used to think with sorrow that for these workers, for the workers movement, for the revolutionary movement, land distribution would have been a step back. In addition there was my own conviction that land distribution would have made it impossible to maintain sugar production, and agricultural production in general, at the level the country required. Our country could not endanger agricultural production because it depended essentially on the income from agricultural exports.

I used to try to imagine how a sugarcane field would look divided among 10 owners, each of whom would put in a few bananas, yucca, rice, beans and a little bit of sugarcane. What would happen to sugarcane?

Then we started thinking about not going into land distribution. We started toying with the idea of setting up cooperatives, and then we realized -- at least I used to think that way when I saw a large cattle ranch with thousands of head of cattle handled by 10 or 12 workers -- that we could make a cooperative out of that great cattle ranch, that we would be rich from one day to the other. We used to look at some of the large rice plantations and the same idea occurred to us. So we decided to set up the first state enterprises at those large cattle ranches and rice plantations.

However, we did not discontinue our progress toward the creation of sugarcane cooperatives. No doubt this was a better move than to distribute those sugarcane plantations, that land. It was better than dividing it into small plots. Thus we created the first cooperatives, but these cooperatives had no real basis. They did not have a historical basis because true cooperatives are set up by peasants who own the land. It was my opinion that we were going to create an artificial cooperative by turning agricultural workers into members of a cooperative. From our point of view -- and perhaps in keeping with that verse of Marti that says "a slave of the times and doctrines" -- I favored turning these cooperatives, which were workers cooperatives and not peasant cooperatives, into state enterprises.

No doubt someone will judge our actions in the future. We cannot judge them or say that they have been good or perfect. The fact is that this is the way the state enterprises came into being.

If one is to analyze, after all these years, one is bound to say that the creation of these state enterprises was an act of great daring because in those days we did not have proper cadres. We had no managers. We had no engineers, veterinarians or anything at all. Something similar happened to our industry.

The real fact is, however, that I felt a rejection toward the idea of a social setback. In a socialist revolution where the workers did not own the factories, where no cooperatives of industrial workers were being set up, [the thing to do was] keep the land that had belonged to estate owners and imperialist enterprises and turn them into socialist enterprises with the same status as the factories and industries.

We had the same problem with the sugar mills. When we wanted to find a manager, whom did we choose? A revolutionary worker. Whom did we choose to manage the farm? A revolutionary worker. What were the requirements he had to meet? To be revolutionary. But the fact is that he probably had only first or second grade, if that. If anyone were to make a historical study it would be found that some farm managers were completely illiterate. We had nothing like an engineer, a veterinarian or anything like that. We had nothing like that either in the factories or the fields.

It is really astonishing how our country managed to do what it had to do under those circumstances in order to keep industrial and agricultural production going.

The revolution did not take over the sugarcane fields in the first year. Unless I am mistaken, this happened in the second or the third year, because we did not want to disrupt sugar production because of the nation's enormous dependency on these exports.

The first harvests were not difficult because there was a considerable reservoir of manpower. The harvests that followed were difficult because unemployment started to disappear, because the hundreds of thousands of unemployed Cuban workers started to find jobs thanks to revolutionary measures. Men with no education managed industries and farms. Dozens, hundreds of thousands of industrial workers had to be mobilized to harvest the sugarcane, especially in unpopulated provinces such as Camaguey, what is now Ciego de Avila Province, Las Tunas etc. When harvest time came the agony of mobilization began.

We said before that great daring had been required, but there can be no revolution without daring and those without daring can never be revolutionaries. [applause] Without daring we would have never started our war for independence on 10 October 1968 [as heard]. Without daring Marti would have never landed in Playitas with a small boat accompanied by Maximo Gomez and no troops. Without daring Maceo would have never landed in Baracoa. Without daring the revolution and independence would have never taken place. And without daring, of course, a socialist revolution would have never begun in our country, just 90 miles off the U.S. coast. [applause]

But the fact is that this is how our agrarian revolution started. Then came the second law on agrarian reform, because what seemed to be little [land] when the first law was passed turned out to be too much later. By the first law, the landowners had been given 30 caballerias, and these 30 caballerias usually encompassed the workshops, the investments made in that land. That first law applied to a few hundred, perhaps a little over a thousand owners. The second law on agrarian reform applied to several thousand by establishing a ceiling of 5 caballerias on privately-owned land.

The state-owned enterprises continued to develop. A great deal of attention was given to state enterprises. Heavy investments were made in opening roads, in enterprises, in facilities. The independent peasant was not, however, neglected. They were supplied with loans, markets, price control. They were given every possible aid. Living conditions were changed in rural areas, education and public health were taken there and, in sum, a true revolution took place in the living conditions of the peasants and in rural areas of the country.

Nevertheless we must emphasize the merits of our agricultural workers -- the class which, within our proletariat, is closer to the peasants -- the extraordinary merits of the agricultural workers in our country and their work for 23 years, the harsh and difficult conditions under which they have toiled.

It is true that their life has changed radically. After working for 12-14 hours, after long months of unemployment, they finally started working only the 8 hours established by law. They received a better salary, social welfare and education, they and their children received medical care and their jobs were guaranteed. However, living conditions in our rural areas were very poor, housing was practically nonexistent and the country had no resources to carry out a huge housing development plan as required by the workers of those state-owned enterprises.

We must say that they were the ones who kept the essential sectors of the economy going. Most of the sugarcane that reached the mills, almost 100 percent of the rice being marketed, almost 100 percent of the poultry and eggs being sold, the beef that goes to the markets and many other very important products. Thus, on a day such as this, closing this congress, on this happy day for our peasants, we must feel gratitude, recognition of the hundreds of thousands of agricultural workers who, together with our peasants [lengthy applause] -- who, together with our peasants, made this great agrarian revolution possible in our country.

They worked under the harshest, the most difficult of conditions. They lived in sheds and very bad housing in general, and despite the efforts of the revolution, which has built hundreds of community housing projects for the families of our workers, and the fact that certain enterprises have experienced considerable progress in this regard, it is true that so far the housing conditions of our agricultural workers are, and for many years will continue to be, very poor.

Nowadays we can go and visit places of which we are proud. Such is the case of the Los Naranjos breeding station, where recently prizes were given to workers, technicians and managers of this modern community. The list of achievements of this enterprise was really impressive.

We have many enterprises of this kind throughout the country, enterprises which are becoming models for all of us. It is really hard to believe when we compare current times to the past, because now is all these sugarcane, rice or cattle establishments there are dozens and dozens of engineers, veterinarians, irrigation specialists, economists, experienced managers. It is truly impressive to compare the past to current times, when we have machinery, when we have harvesters. I remember rice was harvested by hand in the first years of the revolution. It has been so long that rice has not been harvested by hand in our country that I sincerely doubt that anyone can remember the shape of a rice hoe.

In the sugarcane fields the level of mechanization for harvesting, transportation, irrigation and preparation of the soil is truly impressive, and it is an achievement we joyously celebrate together with our peasants today, because these workers, along with the industrial workers, thousands of whom went to harvest sugarcane, have made it possible for us to expect an ever increasing progress among the peasant population.

There is no doubt, however, that there has been an imbalance in the development of our rural areas because state enterprises received most of our attention. The peasants were not being neglected, but for a long time we thought -- and I am responsible for this -- somewhat idealistically, if you wish, but revolutionarily nonetheless [applause], that the changes in our rural areas would be accomplished exclusively through state enterprises and that one day we would have all our agricultural sector socialized through state-owned enterprises.

I recall that at one of the ANAP congresses -- I am not quite sure whether it was the third or the fourth; certainly not the fifth; it was around 1970 or 1971, I spoke to the peasants about this during the closing ceremony.

No revolutionary thought can be developed in a straight line, like a light beam. Only revolutionary spirit [applause] and honesty have to be straight like a light beam. Ideas do not always come precise in shape and form. I recall the ideas I had in those days, and we used to think about ways in which we could carry out a revolution the way we had done in Picadura, the Valle del Peru, the Este de la Habana breeding establishment, Triumvirato, Escambray. Had the country had the resources, there is no doubt that it would have been very positive for the peasants, who lived in very bad conditions.

In those places we built communities supplied with schools, medical aid station and every necessary facility. In many places we created living conditions which could arouse the envy of city dwellers. However, all that required enormous resources and investments and perhaps very many years before the land in the hands of the peasants could enter a higher stage of productivity.

I remember that I used to think a great deal about this when I was flying over valleys full of little cottages with small plots of land, or when we traveled through the tobacco plantations of Pinar del Rio and saw myriads of little houses in those valleys where the great-grandparents, the grandparents, the parents and the children, the grandchildren and even the great-grandchildren lived. I used to wonder about the history behind this fractioning of land and to think in that way it would be impossible, very costly, and would take many years, before we could have a town like Triumvirato or Picadura in each and every one of those valleys.

And that is why I became persuaded that we also had to take the course of forming cooperatives in many of our country's areas. And though more than 70 percent, almost 80 percent, of the land, in one way or another, from acquired land, rented land, etc, [belonged to the state], we were at a point at which the economy and the population unquestionably required the technical development of peasant production. In this period we could say that the parcelled small property had given all it could give or almost all it could give. Sugarcane was already being harvested by machine in many areas. Aerial spraying of herbicides and pesticides was already in use. Irrigation systems were being developed. The application of all this technology was almost impossible in the midst of such a large amount of parcels.

We might say that the peasants' agricultural production had ground to a halt. The possibility of applying higher-level techniques did not exist. All those elements convinced me that the true cooperative, not the kind that we had tried to form in the early years with the agricultural workers, but the logical cooperative, the historic cooperative was the one formed with the merging of the land of small farmers.

This was how at the first party congress, the party leadership discussed all of these problems and the two forms of higher agricultural development were proposed; state enterprises and cooperatives.

These ideas, these decisions taken at the first congress inspired the line of thought of the Fifth ANAP Congress. But a principle was set, one that had always been there. Two things were brought up. When the second agrarian reform law was passed, it was said that no more agrarian reforms would be carried out. That is, peace of mind was given to all. And that promise has been kept.

It was promised that no peasant would be forced to join a farm or a cooperative. This promise has been kept and will be strictly kept as Pere said here at the end of his speech. That principle has been scrupulously observed. Of course, with the living conditions that used to exist in some of the towns mentioned, many peasants -- practically all peasants -- clearly saw the advantages for themselves and their families and the security that joining a farm entailed.

Even when we also decided to follow the course of cooperatives, it was not easy. We had to convince many comrades and many cadres that this policy was reasonable. Many peasants, in fact, preferred farms to cooperatives because of all those advantages that they could easily see for the improvement of their living standards. The country did not have the resources to do that. It did not have the resources to build hundreds of thousands of houses in the countryside in the span of a few years during which he had to continue to advance. Our country and our economy so demanded.

The cooperative movement began on a modest scale. I have said, and I have argued, that we really should have begun this movement earlier. I have said it and I am saying it and I assume moral responsibility a thousand times over for the delay in the cooperative movement. [applause]

I believe that the first and most sacred duty of every revolutionary is the capacity to admit any mistake he might have made. [applause] And I always like to look back, analyze events, and study each one of my actions. In general, I am very critical. Let us say that I am more critical than I say I am, and I am known in the revolution for my self-criticism. [applause]

There were two ideas. I preferred state enterprises and at the same time I had an almost sacred respect for the peasant's tradition of individuality. And we said: The peasants will surely have little interest in organizing cooperatives. I would say that I was underestimating the level of awareness of our peasants. I was overestimating their individuality. At the same time, I respected them too much to think of violating their wishes or feelings in the least. If there was an underestimation of the level of awareness, there was also deep respect, the respect we have always felt, for the peasants.

I was not much of a believer in the cooperatives. When I speak about higher forms I have always thought and still do that the state enterprise is superior. I always liked the idea of developing agriculture like industry and that the agricultural worker was like an industrial worker. The industrial worker does not own the plant and does not own production. He is the owner in the sense that he is part of the people.

I always liked, and still do, that form more. Ah, but it was not the most realistic. The most realistic was this one for what remained of the peasants' land -- that 20 or 25 percent of land still in the peasants' hands. The really correct, realistic form.

And since the most realistic is also the most revolutionary, the most revolutionary idea was to take the two courses; that of the state enterprises and that of the cooperatives. And these ideas became very clear to all of us following the first party congress and the Fifth ANAP Congress. And we began to work in that direction.

In '77 we had advanced very little. According to Pepe's report, there were 44 cooperatives covering 451 caballerias, if my memory serves me right. It was slow going at the beginning. At first it seemed that it would be hard for the idea of the cooperative to make any headway.

And we said: No pressures, no rushing. Let the peasants go slowly and persuade themselves on their own about the advantages of the cooperatives. And this movement began.

I thought, and I still think, that this movement will take 8 or 10 more years until the immense majority of the lands that are now in the hands of the peasants are organized into a superior form of production. And since I arrived at these ideas, this conviction, I have really been -- as I am with all my convictions -- an enthusiastic and determined defender of the cooperatives. [applause]

I believe that our rural areas have a great future and I see clearly that one day the state-owned enterprises and the cooperatives will give us one of the most developed agricultural sectors, not only in this continent, where we are way ahead of everyone else, but of the entire world [applause] and one of the broadest agrarian revolutions ever, [applause] without violence, without coercion and within the framework of the strictest respect for the feelings and desires of our workers and our peasants.

We see all this happening once we build a community in every state-owned agricultural enterprise and in every peasant cooperative, once we bring them power, running water, and once the advantages of a modern lifestyle are brought to every corner of the fatherland.

If the estate owners of the past have already found it difficult to recognize their own land because it has been filled with dairy farms, fences, dams, roads and installations which were not there before, I can really imagine that in 10, 15 or 20 years, once we have developed our fields to the level we want, no one, not even armed with a magnifying glass, maps and in broad daylight, will be able to find out where his estate was, where the boundaries of his estate were [applause], because a photograph from the air of our rural area would show model agricultural installations, model communities everywhere. And we will get there. If we have come so far, we have less than half of the way to go. [applause]

I believe it has been said, not without reason, that this congress is historical, that this Sixth ANAP Congress is historical, because here we saw that the idea of cooperatives has won, that in 5 years the idea of cooperatives had won. This was obvious at this congress and it was truly impressive to hear the speeches of the presidents of the cooperatives who spoke at this congress. [applause] because their remarks reflected the success achieved.

It is truly incredible, no comparison is possible with the productivity, the production and the income from the communal land, obtained by utilizing technology. The production of sugarcane has doubled in cooperative areas, from 40,000 to 80,000, from 50,000 to 100,000 arrobas per caballeria, like the yield of tobacco, potatoes, root vegetables, vegetables in general, coffee, or any crop whatsoever which is handled by the cooperatives.

The enthusiasm, the strength, the capacity for development and utilization of land and all other resources of our fields is very impressive. At the same time it is very stimulating to see the results that the cooperatives are achieving.

Together with the improvements of state-controlled agriculture in citrus, rice, dairy products, poultry, egg production, these developments forecast, no doubt, an extraordinary progress of our agricultural sector. In addition they set the basis for the healthy emulation which we want to stimulate between cooperatives and state farms. [applause]

The comrade from Banes, from Sama, was saying yesterday [sentence as heard] that they were going to win the emulation because they were going to work harder than the workers. He was speaking of peasant honor, but we must not forget that there is also a worker honor. [applause]

We have magnificent, extraordinary workers in our factories and our fields. A good example of this the millionaire [in Arrobas] sugarcane cutters, those mobilized by the Central Organization of Cuban Trade Unions, the hundreds of sugar harvest millionaires, the outstanding workers, the vanguard workers in construction, transport, agriculture. We know all about them because of the many vanguard workers we give prizes to every year. We must see to it that the prestige and influence of these vanguard workers grow among the workers and the peasants. [applause]

The prestige and influence must grow so that everyone can follow the example of the best. This emulation will be carried out and it will be strong. Each one, according to his honor will be healthy, will be revolutionary, and the country will gain a lot. [applause] Undoubtedly, our fields and our cooperative and state agriculture are advancing and have magnificent prospects. We have seen this at this congress. Above all, the most important thing, the best news, is that the cooperative movement is advancing tremendously and that its results are extraordinary. This has caused us great satisfaction. We had a large number of companeros in the state party's directorate have witnessed the development of this congress. We have listened very carefully to the report. We can understand the reason for this victory. ANAP has a lot to do with this victory. [applause]

Naturally during these years of revolution everyone advanced markedly. From an illiterate people, or let's say from illiterate peasants, today we see that many peasants' children have become doctors, engineers, economists, outstanding cadres in the government, the armed forces, the party, the Interior Ministry and all the institutions created by the revolution. Young people born around 1959, 1958 or 1957 have already graduated from our universities. Their numbers are increasing. It's been a long time since there's been any talk about illiteracy or semiliteracy. Now there's talk about a sixth-grade education as a minimum. Now the struggle is for ninth grade as the minimum. Now there is a political and a general culture. These are naturally reflected in our peasants.

Now there is the political and revolutionary work of ANAP. I think Pepe complains sometimes about the fact that I use the wrong gender when referring to ANAP. Oh, well... [applause] It can't be denied that both men and women belong to this organization. We will, therefore, use the correct feminine gender when referring to ANAP, Pepe. [laughter] It does revolutionary and political work, which has a profound impact on our peasants. It has been serious work. Educational work, cultural work, technical work, is seen. This work was reflected in the report, in the effort to create the technical groups and committees, in the amateur groups, in the sporting events, in the struggle for the sixth grade. In short, it is reflected in all ANAP's activities in many fields.

Most importantly, ANAP's work has been serious and cultured, with no trace of politicking or demagoguery. A demagogue would not last a single minute here. Everyone would find him out right away -- not just demagogues, but also those who are not serious or truthful. They would be found out much sooner than it took us to discover that Pepe was limping yesterday because of a problem with his knee. As the saying goes, a liar is found out sooner than a lame person. But a demagogue, or one who is not serious, is found out even sooner.

That kind of thing has not been seen in a congress in a long time. It is odd, however, that these days nobody is heard speaking nonsense. It would be very natural. Without meaning to, an individual can say a lot of nonsense. But nobody stands up at a congress any more to speak nonsense or confusing idiocies. One does not see them at the congress of the Committee for the Defense of the Revolution or the youth congress or at this congress. We are really impressed by these cultural and political advances, by the quality and seriousness. This is really very stimulating. This is the result of the work carried out by our party and our mass organizations. Really ANAP, its directors, and especially Companero Pepe not only deserve congratulations for having been justly reelected to their posts, but they also deserve to be recognized for the profound work they have carried out among our peasant masses. [applause]

We are really impressed. Not only by the cooperative movement, but by the fact that the idea of cooperativism has shone here. At certain points this looked like a congress of cooperativists, a prelude to what our peasant congresses will be in the future. All those who delivered speeches, the companeros from the mountains, the companeros from the credit and services cooperatives, the responsibility, the wisdom, the honesty with which the various views were set forth here, the trust, the freedom, the democratic spirit of this congress, the honesty. I very much liked the honesty with which Pepe presided over this congress, the way he interjected his remarks, the fact that he was not afraid to speak frankly or criticize any problem. This is how our peasants have been educated, in addition to their historical traditions, their honor, and their historic conscientiousness.

In truth, we in the party have had a great representative among the peasants. But in turn the peasants also have a great representative within the party. [applause] Companero Pepe has represented the party well among the peasants. He has also represented the peasants well within our party's midst. This congress, therefore, has had a very favorable impression on us and on our visitors as well, I think. Time was well spent.

Yesterday we deplored the fact that this congress had not been scheduled to last another day. The fair organizers were left without a fair, or at least without peasants at their fair. This occurred despite the noble effort they had carried out. You had to return. Although out of discipline, you would have been willing to stay in Havana another day, you were much more impatient to return to your rank and file than to participate in the fair. That is understandable. [applause]

Time was properly used, well used. Overtime was used to discuss important matter. The most important goal was the unquestionable success of the cooperative movement. This was point one. And this was one of the achievements which was made evident in this congress. There was success in almost all the agricultural items -- tobacco, vegetables, fruits.

We have been able to see numbers that show how agricultural production has grown in the past 5 years. Some points of conflict have also been discussed. The first point was the situation in the mountains. It has been clearly seen that there is a need for a quick and serious study of the situation in the mountains and for coordinated efforts by all the organizations involved, to solve the problem in the mountains. The reason for this, as it was explained yesterday, is that we have to develop the coffee sector as well as our forests.

An exodus would leave the mountains without the necessary labor force to care for the forest. A big exodus would leave the mountains without the labor force needed to grow coffee and cacao. Yesterday we determined our objectives in the mountains; coffee, cacao, forests -- that is, timber -- and for the peasants to produce all that they consume.

We have said that the mountains also have other useful possibilities, as resources for tourism. We said that the revolution provoked an exodus from the mountains when it created new living conditions and possibilities in the plains. We recalled our experiences in the mountains. There were many huts occupied by peasants who had gone there from the plains. There were rural workers who had gone there pressured by end-of-harvest lay-offs, unemployment and hunger. These rural workers had gone to the mountains and, enduring great difficulties, they cleared the land, built their little homes, planted seeds, used fire. Then, very often someone would show up and claim the land.

During the capitalist era there was such social pressure that the workers would go to the mountains as if it were the place of hopes, the promised land. The number of workers who went to the mountains constantly increased. Then, the situation was reversed.

It is clear to us, it is clear to this congress, that we must find a solution to this problem. Some efforts have been made, but they are not, evidently, enough. We will have to prepare a special program. We have to fix this to solve various problems that range from nails to materiel necessary to build roads and to maintain the ones that we have already built. We have to solve housing problems. There has to be a more complete cultivation program for the mountains.

Once the surveys are over, we will have to determine what types of facilities the mountains should have, what living conditions should be created for the workers in the mountains, if we really want to stop the exodus. This is in addition to political work and the work of ANAP.

Based on this, we concluded that we must develop the cooperative areas in the mountains, considering that with the exception of places where there are state enterprises with special conditions, mountains are more suitable for cooperative-type production. This is very clear to us.

Another point of conflict, of much conflict, is the matter of the peasant free market. Yesterday I expressed some of my thoughts on this matter. I associated these thoughts with others. This took place among us. We have to state here some thoughts to make them known to all the peasants and to the people. This is a debatable issue. And probably there are many expectations about it.

There are many people wondering about what will happen to the peasant free market, and what will be the magic formula that this congress will produce. The formula must be magic because unless it is magic, it will not be possible to produce the prodigy that is being expected of this institution. It is expected to have many products, and cheap, too. And the famous miracle of the fishes and the bread must be repeated and we should be able to say: Fine, this turkey here will multiply itself into 50,000 turkeys, and these turkeys are to have a market, refrigeration and everything else. [applause] And there should be much turkey, and cheap.

Marketing includes many interesting aspects. First, there is the intermediary. Who is to be blamed for the intermediary? The intermediaries? No. The peasants? No. Then, who? We are! We who created this market are to be blamed for this. Well, historically we are not the inventors of the market. But, we will see if anything comes out of this market. Of course, the intentions were good when this market was created. No one had intentions of creating the intermediary. There was talk about the objectives and production was encouraged. The idea was to see if the black market was eliminated, to see if some of the products that the peasants were not harvesting could be reaped, if the peasants could somewhat limit their consumption and bring products to the market.

A bit of all this may have happened. But it also happened that they began to bring many products to the market which were previously delivered to the collection centers [Acopio]. The little pigs were delivered to the collection centers because of the problem of the price. Someone raised the question of the price having been lowered. We have also been discussing this. We do not yet know what we will do but something must be done about the little pigs. However, there was a problem because quality pork was being sold at 60 [cents] and one could not sell a product of equal quality at a higher price. In a nutshell, we do not know how we are going to solve this but something will have to be done to increase the collection of the pork somehow.

It so happens that although this pork is not regarded as being of great quality, it seems it is the best type for roasting, do you understand? Maybe the other type is better to make ham for sale to the public. But it seems this is the kind that the people like for roasting. It has a special characteristic. We will have to do something. We think that we will do something about this pork that the people like for roasting. Maybe we will have to increase the price of the other type of pork, too. However, something will have to be done.

Products which were previously delivered to the collection centers began to appear on the free market. That is not fair. A product is not sold to the population, at its official price, so it can be sold on the market at a high price. Of course, the worker with a lower income will perhaps go without a piece of pork, or a chicken or one of the products that was delivered to the collection centers.

This was a negative element. It was believed that the contract with the collection centers would operate well, that there would be controls at the collection centers, that control would be exerted by the people's powers or at the National Association of Small Farmers [ANAP], and so forth, and that the deliveries to the collection centers would be maintained. There is no point in taking the products out of the collection centers to take them to the free market.

Another very negative phenomenon occurred. It was the most negative of all, i.e., the presence of middlemen. And we said that we were guilty of this because, apparently, this market cannot operate without some type of middleman. Why? Because the peasant does not have the means to come to Havana from Batabano or from Guira de Melena, or from Matanzas Province, because he has to bring five or seven chickens, and he says that he cannot make a trip just for seven chickens when the chickens can be sold on that market at 10 pesos, and so forth.

The middleman sprang up immediately because it seems that the middleman was needed in that market. Otherwise, how can plantains come from Holguin to Havana? And the person who picked them up had 50,000 plantains in storage. Eight multiplied by five totals 45 [as heard] or 45,000 pesos, gentlemen. Not even a farmowner got that in the past. A farmowner did not earn 45,000 pesos. And that person must have obtained a profit of some 30,000 pesos at least, and tax free, tax free.

Peasants in Holguin say there are no plantains there and I think there have been few plantains in Holguin lately. However, pass by the market here in Havana. At those prices...! Since the last hurricane, and until enough seed is produced in this province -- of this type of plantain -- some time will be required. There are no bananas. However, such is life. Bananas are preferred everywhere in the world. However, since it was more abundant and more productive, it seems that some families here in Havana preferred the other type of plantain, probably because they do not see it very often, and they pay more for it than for bananas. The other type can be eaten as a vegetable or a fruit. The ones that are known and consumed throughout the world are bananas. However, the price of this type of plantain became astronomical and a middleman brought them from there.

The same thing happened with other products. Actually, already 90 percent of the items on the market came via middlemen. Many peasants refused to go to the market out of a peasant sense of honor. Additionally, there was the way that some of those individuals looked. Their appearance was hair-raising. Those individuals looked like former convicts, like the devil. With long hair. I have seen some photographs. I remarked that one seemed to have come from Mariona jail. I said where is this one from, from Combinado del Este? Where is he from? There were decent peasants there.

Who supports the middlemen, besides the fact that they were needed? The so-called small tract farmers must not be confused with sharecroppers. The words sound alike but they do not mean the same. The sharecropper may be a small tract farmer. Maybe he is a sharecropper there who does not belong to ANAP or anything else, and is there a small tract farmer. There are many types of parceled land farmers. A few were there as legally and I imagine that there were many illegal ones who have a piece of land here and there. Some stole water from the aqueduct to irrigate. There were all types. But the small tract farmers were the ones who do not even have a backyard at home.

However, they came up fast with the free market. And they got an incubator and some fertile eggs. When the engineer asked where they obtained the fertile eggs, they said that it was from the store when actually no fertile eggs are sold in the store. The fertile eggs can be found in the breeding and rebreeding centers and in the special farms. They must have obtained the fertile eggs improperly from some place. And the client also obtained it somewhere. All this is connected with illegality, corruption and so forth, or theft.

So, the small tract farmers sprung up here and there. It seems it would not be advisable to be a small tract farmer on the black market in the future. Now then, there may be some who may belong to ANAP.

At one time there were those who had a plot of land and worked at a sugar mill. They had to belong to the labor union of the mill. At any rate, ANAP will now have to make a study or analysis of the small tract farmers to find a way to legalize them. However, according to the new ideas about this market, the so-called small tract farmers must not exist. In other words, only those who belonged to ANAP can exist. Those are the ones who should have the right and not anyone who wishes to be a small tract farmer or calls himself a small tract farmer. This will be one of the first measures to be adopted.

Now then, there may be many cases of people like this who belong to ANAP. Why? Because there are thousands of caballerias loose in the countryside. There is talk of the caballerias of state enterprises and of the peasant associations. However, there are thousands of caballerias and thousands of people going around like loose wheels in the countryside and who have lands which are not under the control of the agriculture ministry or ANAP, and this is not advisable.

In a nutshell, we must detect the illegal cases, correct the illegality and set order in our countryside. All land in our country must be under the control of the National Institute of Agrarian Reform [INRA] or ANAP. There cannot be any loose plot of land. [applause]

The disorder will end once all peasant land is held by cooperatives. Many times I have looked at a small farm and thought that it belonged to a peasant. However, the data and the statistics show that many of them do not belong to ANAP and are illegal or that there are small tract farmers on them and many individuals are neglecting the land.

Anyone can realize the advantages the country will have once this type of property disappears. There are many improprieties that provide a basis for the black market and other things. This will cease to exist once our agriculture is organized under cooperatives and farms. Maybe there will be thefts. That is something else. Maybe somebody will steal and sell but not engage in commerce. We can't imagine leaders of a state enterprise or of a cooperative being involved in this sort of cheap dealing.

There are many small tract farmers and sharecroppers who create chaos and disorder. Apparently, in the new market this sort of people have no room. We have already identified the problem; the middleman and the small tract farmer. These institutions must begin disappearing from our agriculture.

Look at this: The people want a market, with many products and at low prices. This is a fact. With this type of movement, the middlemen seize control of the market. Some of them would have been brilliant in the New York stock market, let me tell you. [laughter] They say this is the price and if you don't want to sell, don't sell; and the peasants there were getting into trouble with this lumpen that had seized control of the market and were saying: These are the prices, the price for chicken and so forth; and as the number of products increased, they increased the prices. They imposed their law on the market.

There is the story about the head of garlic being sold for 1 peso. I have already spoken about this. A small criticism because since those days we could already talk about garlic for 1 peso, and the plantain in Havana at 80 [cents]. There were exorbitant prices. This provoked rejection, and claims and people began to give their opinion. It was often said; prices must be brought down. But if prices go below a certain limit, then products disappear, or are sold in the black market at different prices. The markets used to be call free and many of us reasoned that the moment a ceiling price -- not a ceiling price -- the moment that prices are regulated, then it is no longer a free market.

I don't know the official price for a 3-pound or a 4-pound chicken. If a 20 percent price drop is imposed, it is probable that the chicken will not be taken to market and that it will either be sold on the black market or the peasant eats it himself. After all, it is the peasant who produces it. There would no longer be a free market. If the prices were too low, then no product would show up, or they would be available for 30 minutes only while a long line would quickly be formed and squabbling ensured. In addition to the monopolistic actions of the middlemen, impositions were placed on the market but, supposedly, the supply and demand principle would regulate the situation.

We, a group of companeros of the party, of state institutions and ANAP, were discussing what to do with this. I proposed in the youth congress a high tax so at the least the state and the people would receive something through the tax. We were thinking of various formulas without regulating the market. That was the idea that we had; to have a high tax without regulating the market; to have a 40 to 50 percent tax, the formula of a high tax. It was known that those who sold in the market took in 140 million pesos and less than 1 million was paid to the state. Perhaps at official prices these products would be worth 30 or 40 million. The profits were more than 100 million. That is a huge amount. That money in the hands of a few people is a real problem.

Well, the idea was to obtain part of the profit. That measure had the merit that it sought to collect funds, money. It had the disadvantage that the prices could continue to be high and even increase. That measure was also going to be accompanied by the prohibition of the small tract farmers and the elimination of the middlemen. We had thought that since middlemen are needed, things would be organized in such a way that the associations of credits and services, with some resources and means, would essentially be in charge of taking the products to market. We have based this on the idea of maintaining a market. We have used this idea as a basis. Now then, the ideas that we had and the conclusions that a group of companeros had reached were delivered to the delegates of the congress.

Yesterday, we were able to see that the peasants do not like that idea of a high tax. They, the delegates do not like it above all because of an essential concern; that the tax will be transferred to the price and along with this the anger and criticism of the population. I understand this essential concern of the peasants, many of whom do not even want to know of that market. This is mainly true of the cooperatives. From the remarks of many presidents of cooperatives I noticed that they practically hate the market. And not without reason. However, we have the market. The people want a market of products but they do not want to be robbed; they do not want the products to be too expensive. They want them to be cheap. The products cannot be as cheap as the consumer wants them. If they were, no one would take the products there.

That is why we were able to see that most of the delegates, or as a rule, the delegates of the congress want the market to be regulated. They want a ceiling to be set. As a rule, the people also want a ceiling to be set. That is why we find ourselves facing three ideas. That of the state, the Finance Ministry which is the idea of collecting a tax; the idea of the congress and the delegates and the idea of the people. Therefore, we have to reconcile all these ideas. The congress has served so that we can review our ideas on this subject. I said that we drew up the idea as a group and we thought it was good and 40, 50 or 60 million pesos was going to be obtained by the state to carry out the idea. I think we should carry out and find solutions that are in agreement with the views of the peasants who are the producers and that are as close as possible to the views of the people. We have the duty to bear this in mind because in no way can we do anything that is an imposition in the face of the views of the congress and the people. Therefore, we have to undertake the task of drafting formulas that are in accordance with the views that have been expressed. Naturally some of the things that have been proposed are not possible. It would be very difficult for products to be sold up to a point after which there would be high taxes. There are formulas which in theory are good but in practice cannot be applied. They cannot be administered.

We have to go back and analyze this, taking into consideration the opinions expressed by the delegates and the people. It would be a mistake for the consumers to believe that there could be a free market as well as a cheap market. I repeat, if we impose a rigid ceiling, the products will not go to market. They will simply be taken to the black market and used, or not reaped and not used. If we impose a ceiling, it must be flexible in relation to the official price of those products. Furthermore, in Havana, a city with 2 million residents and few farmers, we have to impose a higher ceiling. If not, the products would not be brought to Havana.

If the measure regarding a ceiling is adopted, and this has to be discussed with the ANAP committee, the ceiling has to be flexible, and in my judgment, I know that when we analyze it, it will be at least twice the official price. In Havana it would have to be even higher. There could even be margin for a small tax, but not a high tax. The ceiling has to be such that the product is made available. Maybe it will be too high and we will reduce it, maybe it will be too low and we will raise it. Nevertheless, I want to add something; the ceiling cannot be inflexible. It can go up according to the scarcity of the product at certain times of the year, and it can go down. We must forget inflexible ceilings. But I say, and I discussed this yesterday with a group of comrades, if we decide to set a ceiling, then the ceiling must be flexible if we want products to be available. In Havana this ceiling has to be even broader if we want the products to reach Havana, because the Havana farmers would not be able to supply 2 million residents. As we said yesterday, it is not the same thing to take products to Ciego de Avila with 74,000 residents as it is to take them to Havana with 2 million residents. When the studies were made at the markets, it was found that products were coming from Cienfuegos, Ciego de Avila and even from Holguin but, of course, these products had a higher price in Havana.

Havana has a higher average income than the other provinces. If Havana wants a free market and if Havana wants to receive the products, then we would have to have a higher ceiling.

Depending on the decisions reached, it is very important that these points be known to the delegates at the congress and the people.

There has to be a middleman, but not those they had there. ANAP has to solve the problem and make these products reach the market. The state has to give ANAP resources and facilities. Undoubtedly, one farmer cannot send four chickens to market; 10 or 20 peasants would have to get together and send 100 chickens, finding the way for these chickens to get to market. If not, the market will not function. Not every farmer owns a truck and that is why the products always end up in the hands of the middlemen. There are two basic ideas, one is for the middlemen to disappear and the other to create a mechanism to bring these products to market. This is essential.

Now, regarding the future of the market; the people want to have the same opportunities the parallel market has. On the parallel market they sell expensive, really expensive, and even some products that are scarce. But all that is collected at the parallel market goes to the country's funds. A people's resource is collected. That is why the people don't complain about the parallel market; they may think that it is expensive, but everything always seems to be expensive. Everyone who buys believes this. But the parallel market has existed for many years in the country and everything that is collected there goes to the people's resources. It does not enrich a particular group; it gives wealth to no one in particular.

As I said yesterday, the day that all the farmers belong to cooperatives -- or at least the majority since we cannot expect all of them to belong to cooperatives -- in a state enterprise as well as in the cooperatives, the self-consumption will become collective when the cooperatives are developed and the private producers disappear from this country, from our fields. With the free market the farmer will not be able to satisfy the demands. For a free farmers market you need individual producing farmers and in the future there will be no individual producers. Therefore, there is no reason to have a free farmers market. We will have farms and cooperatives and the farms at this time do not participate in these free markets. The Agriculture Ministry opposed this for a very good reason.

So with what can we replace the farmers market in the future? This is the idea that we expressed before the congress yesterday. Today I repeat it so that our people will be informed of the subjects discussed.

In the future the free farmers market will become something else. They will become parallel markets for agricultural products. Why? Because even if we produce enough garlic, and we must struggle to produce enough garlic, so that just like eggs, we can sell the garlic freely and it will not go to the free market. Even if we organized a big state production of sheep or turkeys, one of these products would not always be available. This would also include rabbits. No one here could responsibly offer all the residents all the rabbits, turkeys, goats, sheep and so forth they may want, at the prices put on these products that are subsidized by the state. Tomorrow we could offer all the free products at a set price. If the price were regulated, then mathematically we would know the prices that we would have set for the products to be free in this manner. This would affect the low-income families. We would have people with high incomes who would be happy, especially some of those who steal, who have a business and make money. But what would happen to those low-income people? We can't do it this way. Capitalism does it this way, but capitalism and socialism are two different things and capitalism does not solve the problem. It tries to solve the problem with production. There was a time when the eggs were rationed. After a time we reached such a high production that they could be sold freely. But there are situations in which products have to be rationed and later they will become free but, of course, not with prices like 40 cents per egg, but at the current price. There are not only many free products but there are times when the production is such that we have so many potatoes, for example, that the cold-storage rooms can't hold them; there have been times when potatoes were sold for a penny a pound. Many times there are many surplus agriculture products. Sometimes we have had to replant because of bad weather or a cyclone and a complete harvest is on us at the same time. When there is a surplus of products they are not thrown away; they are sold at a lower price. But there is no doubt that the inflexibility of the prices forces these situations. Sometimes we have to be rationing other things because prices are pretty sacred.

Under these conditions, in the future, no matter how much successful state and peasant agricultural production is, some products will be scarce, some of them. These could be turkey or rabbits. Let's just say someone decided he wanted to eat rabbit. He has to have the chance to eat his rabbit, goat or sheep. Or what if he wants to make some kind of herbal sauce and the herb is not available at the market, not just any kind of herb. [laughter]

Something else is also known as herbs [hierba]. [laughter] That type will not be grown here. [laughter] I meant some mint leaves, for instance. [laughter]

A few days ago one of the companeros was looking for guisaso de baracoa [a type of plant]. According to him, this is good for kidney stones. Since all the medicines that they had been giving him were not helping his kidney stones, he remembered that in the rural areas they say that guisaso de baracoa is good for this condition. I remember that too because I used to pick guisaso de baracoa to take home. My father used to drink a tea made from guisaso de baracoa. So there may be some case like this. I myself saw a recent case of someone who was thinking about guisaso de baracoa. Here in the agromarkets they have not heard about guisaso de baracoa. Well, there will always be some product like this.

We think that in the future the peasant market will be replaced by a parallel market of agricultural products. Also, the cooperatives, and the farms too, with their surplus production, or with products known as marginal because their production is not basic. All of these, however, must still be analyzed carefully, in order to determine what is marginal and what isn't. Frequently the principal product is forsaken in order to produce a marginal product and the pesticide, the fertilizer, and so forth are taken away.

But once our country is organized into farms and cooperatives, we will be able to handle trade with 1,500 or 2,000 cooperatives. Trade cannot be handled with 150,000 small farmers; that is unmanageable. Ah, but once we have 1,500 cooperatives operating in addition to a certain number of state farms, all the presidents of cooperatives and the secretary of the party nucleus can gather in this theater; they would all fit. They could then discuss everything -- production plans, deficit products, prices, policies -- in 3 to 10 days. Then, incentives can be provided for both cooperatives and farms. [applause] We can reward those who produce surpluses of these so-called marginal products as well as those who produce turkeys, goats, sheep and chickens. Whatever they please. If they want to produce pheasants, they can do so. The state has a pheasant farm and several restaurants here serve pheasant. Then the organization created now with these markets, which ANAP would essentially have to assume, would be assumed by the state in the future, once the cooperative movement has advanced sufficiently. Then the state would assume the responsibility. It will pay higher prices for these products than the prices listed by the storage centers and it will sell them at higher prices, at parallel-market prices. The revenues, of course, will accrue to the state, in other words, for the entire people, for the expenses and needs of the people, for development plans, for health and educational plans, for the country's defense plans and so forth. That is the idea we set forth yesterday at this congress.

Today, just as we have a parallel market for various industrial products and foodstuffs, in the future we should establish a parallel market of agricultural products. We will do everything necessary so that there is a sufficient supply at certain prices, neither give-away or cheap prices but certain prices. These were the ideas that prevailed yesterday regarding the future of the peasant market. Whatever we do, we said that the people's and the delegates' views must be taken into consideration. We warned, however, that the ceiling price cannot be rigid. It must be flexible and broad. Otherwise, the products will not be available because no one will harvest those products at gunpoint so they are turned in. Supposedly, the producers must turn their products in voluntarily because they want to do it and because it is profitable to them. Furthermore, the ceiling prices in Havana must be broader.

Let us try to define this matter as quickly as possible in order to establish the new regulations so we can see what happens. If the ceiling prices are too low, they would have to be raised. If they are too high, they might be lowered. But the ideas must be made very clear and the dream that a free market with many low-priced products can exist must be discarded.

I think that, regarding the free market, we must learn from the lessons and from the negative and positive experiences derived from the creation of this institution. It must be given a socialist character in the future. It should no longer be an institution of private farmers, because the private farmers will gradually join the cooperatives. In the cooperatives, self-consumption does not result from a small plot of land. Self-consumption is collective. This is one of the characteristics of our state enterprises and our farms. I don't know if anything else need be said about this very famous free peasant market. [applause]

Taxes are another issue which we might say cause conflict. Taxes don't cause conflict because the peasants are unwilling to pay or because the peasants are unaware of the need to pay. It is just that collecting taxes is very difficult. It would be ideal to collect on the basis of revenues. But then, who keeps the books for 150,000 peasants and small tract farmers? These are even more small tract farmers. Who would keep their books? Who would keep track of their expenses and profits? It is practically impossible. It was decided that the only way to collect this tax was on the basis of the gross sales.

Some companeros suggested collecting on the basis of the land and its profitability. Well, that would require years of work, and a colossal organization that would cost more than would be collected. There is only one practical way; this much sugarcane was turned into the sugar sector; this much product was turned in to the tobacco storage enterprises, to the cattle sector or to the storage enterprises. Then the estimate about what was to be done. There was no other way. We made this decision and a scale was analyzed. Here at the congress a peasant from Guana, a delegate from Guana, voiced certain reasonable concerns. For instance, they have to pay certain quotas. He talked about the mountains, and said that a peasant who earns 3,000 pesos has to turn in about 300 of these. He voiced this concern which, I imagine, is a concern of many other peasants. Those from the mountainous areas expressed greater concern because they say that mechanization is not possible in the mountains, life is harder there and production costs are higher. They presented their views very logically. It is more expensive for them to produce cacao, coffee and even vegetables. He even suggested that their vegetables should have different prices. We told him that in the mountains these vegetables should be for self-consumption, not for marketing, that it was not advisable to encourage the production of vegetables in the mountains. He expressed his views and he was listened to very carefully.

The presidents of the cooperatives -- Companero (Elias) and several other presidents of cooperatives -- expressed their concern that the tax on the cooperatives would affect the cooperative movement. They said that a tax on gross sales would reduce the cooperatives' profits, especially those of the sugarcane cooperatives. Certain cooperatives are more profitable than others; certain products are sold in larger quantities but with less profits, et cetera. Here again, there were two ideas; those prepared by a group of comrades and the congress' ideas. There was a reason for holding this congress and we wanted to hear all the opinions; we wanted this topic discussed. So I think that, just as in the case of the peasant market, we must change certain ideas about taxes.

In the case of the cooperatives, we must analyze the possibility of establishing a tax on profits. This is what the presidents of the cooperatives defended here wisely, logically and with good arguments. We must meet again to discuss this matter of taxes, on which there has been an agreement in principle. We must discuss its form, its basis. We must meet with the ANAP directors in order to adopt the definitive measures, while taking very much into consideration the criteria set forth at this congress.

Not all the points caused conflict. There were other positive issues, solutions which were very well received and which will be very well received by all the peasants. One of these issues was social security. Speaking of social security, I would first like to repeat from this podium what I said at the congress yesterday; that the tax is a matter of principle, of education. As a result of the most recent wholesale price reform, the peasants' income is much more than all revenues collected in the form of taxes. Taxes do not account for even 10 percent of what our workers, of what our country, with everyone's effort, peasants included, spends in the fields. The country spends and invests hundreds of millions [no currency specified] to benefit the peasant population. This tax will amount only to several tenths of a million. It is important for the peasants to know that this tax is a matter of education, a matter of principle. It will be a source of satisfaction for them. However, the revenue collected will be several times smaller than what the country invests in our fields. It is a very small portion amounting merely to several tenths of a million.

We start with the principle that everyone contributes with something. One with low income contributes less, one with high income contributes more; not in proportion to the income bracket, but with the use of a scale instead. We must not forget -- and you know this as well as we do -- that there are some farmers with an income of 30,000 or 40,000 pesos per year and others who are millionaires. Of course, they have not stolen. Within the rules of the revolution, with the prices set by the revolution, the market and the facilities of all kinds that the revolution has given them, there are farmers who have hundreds of thousands of pesos. There are some who receive 50,000 or 70,000 pesos. This could be the farmer with four caballerias of potatoes and a big tomato crop, or other products -- carrots, for example. Logically, the tax has to increase so that it will be much higher in those cases where the income is large, a millionaire's income. There are farmers who could be making 10 times what a prominent medical specialist earns. He could be earning 20 times what a worker earns. I believe all of you understand perfectly that this tax on the individual farmer must be on a graduated scale. Low for the low-income farmers, who still have to contribute something, and higher for those with a larger income. Therefore, I repeat, your suggestions will be taken into consideration in finding the solution to this, and the solution will be, more or less, based on this idea. However, take the documents. Read the free market document and explain the suggestions made. They should be known. It would be good for the farmers to learn about this document, while we adopt the other provisions.

Returning to social security, it will surely be very well accepted by all of the peasants. There was very little discussion about this. For the income to have some effect, it was suggested that it should be based on the cooperatives' gross sales, because this social security law benefits the agricultural production cooperatives and therefore they must also help.

We discussed the minimum. Someone suggested it; he was discussing it with the companeros and we share this concern as well. We want to see how this minimum can be increased and how the maximum set for a certain number of cases can be increased, as well. We will also take into account the opinions of the congress. Among the documents you have received, we mentioned all that are related to the sale of farms, the provision of services and so forth. Several positive solutions are drawn from harvest insurance, which could be voluntary, it was agreed. Only when a loan is requested will harvest insurance be required, because, as you know, during the past 23 years no one has ever insured a crop -- the state has had to insure all crops in case of cyclone, plague, catastrophe or misfortune. We are pleased with this. We have demonstrated support for the farmers, love for the farmers and proletarian solidarity with our farmers. [applause] But anyone can understand that the idea that insurance for a crop must come from the crop itself is a proper concept. This is the principle that regulates all insurance institutions. This was discussed and agreed upon during the congress yesterday.

We are very satisfied with the usefulness of this congress. It has taught us a new lesson and has put us through another test. When many of us were analyzing the problems and seeking solutions, within the complexity of the problem, we drafted some ideas and proposed some difficult matters to the congress. There is no doubt that you corrected those ideas and that you persuaded us of other alternatives and better solutions. Here we gathered not the wisdom of a small group of men but the wisdom of thousands. The ideas of thousands of men who have the right to know -- better than we, under certain conditions -- what the right solution should be.

In regard to the negative aspect of the free market, I and the other companeros understood that there was wounded pride among the peasants -- a wound, a sore, because their very just and very honest basic concern with this proposed tax on the free market sales -- even if it means 40 or 50 million -- is, nevertheless, going to place them in a delicate and embarrassing situation with respect to the workers and the people. It seemed to us that this concern had to be taken into consideration. I believe that it has been a good lesson for all. When we think we have found a good solution, we should meditate and then meditate again. This is true democracy. [applause] This must always be the style of our party and of our state -- not to impose but to persuade and be persuaded. Our role is not only to constantly persuade but to allow ourselves to be persuaded by the people as often as is necessary. [applause] The greatest wisdom has always and will always reside with the people. [applause]

As Pepe said, rigorous inspections and measures have not been taken against the free peasants market alone. A general policy of struggle and demands is being carried out against demonstrations of the profiteering spirit, against any demonstration of corruption, immorality, robbery. Measures have been taken against the famous queuers; inspections of different kinds and by different branches were undertaken at the milkstands, in the stores, at the plaza called La Plazita, and this policy will be continued. This will be done systematically. Why? Because there are many violations. There are many administrative violations and they have to be combatted. The administrative violations permit and facilitate fraud, and, subsequently, robbery. We have to fight against theft and all illegal activities that have profit as the motive. We cannot allow the triumph of anti-social elements, nor can we allow them to corrupt our society. [applause] While those who are corrupted are an insignificant minority, we can win any battle against them. Now, if the corrupted were a majority it would be difficult to win a battle against them. There are cases of corruption in many places. It is sad; we have seen cases of corruption in judges, lawyers, police, workers, the simple and intellectuals -- among all. That is why we have to be implacable against those lumpen, against the thieves, against those who want to make thousands and hundreds of thousands of pesos by violating the law, because they will later corrupt, and usually beginning in a very subtle way; as a friend, by lending money in need and then not asking for the money back and then lending more money. We have learned of cases, among our companeros, who, little by little, in a very subtle manner, fell into the hands of these lumpen. Such a lumpen could be the administrator of an establishment where, if the regulations say that a bottle of rum should contain 30 shots -- this is just an example, just to give an example; it is always good to accompany a thought with an example -- then they take 35 shots from the bottle; they steal from the people who then keep the difference. Above the cost of 30 shots of rum, carta blanca, if you wish, they keep the rest.

Then there is ice cream. The carton gives 50 scoops. They cheat the people by skimming, reducing the scoop. Thus they get 60 scoops. This is an example of the methods used by some, which are difficult [to detect]. Or the number of pizzas, [applause] the amount of cheese on the pizza.

There was a manager to handle money, specifically at (El Aguar), an ice cream parlor. I am not going to give the name of the individual, because I do not even remember it. It is not worthwhile to mention the name or the case.

Then, with the ice cream business, the assistant manager was also corrupt. At times, he took in 300 pesos a day. He sold huge quantities of ice cream; 400 pesos. The assistant manager was also corrupt. Several employees were corrupt as well. The man had been corrupting his assistant and all of the others and had been distributing 15 or 20 pesos. He actually had a free market there, for the sale and purchase of people.

Today we do not have capitalists. The people have to administer their property. Every manifestation of corruption of this kind is serious for the people. It cannot be tolerated. It cannot be permitted.

I think that we have to learn from experience. We have greater controls today, but we have to multiply, increase them and wage an implacable struggle. Socialism cannot permit this cancer to corrode it, to devour it, because there are thousands upon thousands of installations, tens of thousands, that must be administered. When there is cheating at them, it is the people who are being robbed; only the people.

People of this type, undersirables, steal. Could one count on a man of this type to defend the fatherland? To carry a rifle? Those lumpen are the foundation of the counterrevolution. They are the foundation of the counterrevolution.

At times, the evil spreads somewhat because of a lack of inspection and controls. We have to fight consistently against this. We must not permit anyone to cheat a child of a little bit of ice cream. We must not even allow a drunk to be cheated. Why should the poor drunk be robbed? [applause] If that man went to while away an afternoon and, in addition to paying dearly for the rum -- because rum is expensive here -- he is cheated [does not complete sentence].

There are thousands of establishments, of stores. We have to be inflexible. The evil has spread somewhat, but we are also to blame. We placed the church in the hands of the empire -- have you ever heard that saying? -- because of the system that was used to recruit the personnel of the food distribution system. I do not want to speak badly of the food distribution system personnel. In fact, I believe that the salaries of many of these people are small and should be reviewed. There are many good people and honest workers. However, there are lumpen as well.

Why is this? We know that this was brought to the labor ministry's attention long ago. However, since it was not a priority activity, the food distribution and service system has been neglected. If one takes a poll, one would discover all kinds of people. It is disquieting to find that there are persons with records of common crime, with records of counterrevolutionary activity. What can be expected? It is necessary to completely revise the manner of recruiting these personnel, because in all neighborhoods, everywhere, there are honorable people, many honorable and decent people. I know some retired people who could take this responsibility. In fact, in this case, as a special rule, I would not reduce their retirement pension because of what they are to be paid in wages. [applause]

Even by special measures, a way must be found to recruit honorable people for this food distribution and services system generally and to continue the struggle. When inspections are made, many irregularities are found. There are differences. Some are administrative violations. That is improper and should be punished, but it should not be handled in the same way as the robberies, as the violations that are carried out for profit seeking purposes. We have to be much more severe with those who commit violations to steal than with those who commit violations without seeking gain. However, these other violations must also be combatted, but in a different way. They must be combatted because administrative violations make it possible for robberies to be carried out, because of the lack of restraints. We have to work against them, though not in the same way as we treat the thief; but they must be punished, because it is necessary to teach the workers to do things right, to obey the law and to follow regulations. They often think that these regulations are not important. They are, because otherwise, they make it possible for other people to steal.

It is not a case of carrying out a witchhunt. In fact, we know that we are going to identify all who are committing violations. Sooner or later, we will find them all. We will work patiently. [applause] We are going to find them all.

It is not a matter of starting a crusade and of throwing a lot of people into jail. We would not like to have to put a lot of people in jail. There may even be some we can treat with consideration -- those who have committed some of these violations and who become remorseful and go to their superior or to the responsible person in charge and say: I have committed this violation. With those people we can be lenient; transfer them, give them another job, but treat them less severely. We would not publish their crime. This would be good, because we would be saved the trouble of putting a lot of people in jail.

Now the others, the ones who are caught, will definitely be dealt with severely. There is still time. The measures that are taken are designed to be exemplary, to serve as an example and to make it clear to all who are acting irresponsibly that misdeeds will not go unpunished. The idea is to make sure that they understand this. [applause]

We have a way to discover all of these cases of robbery. We have a way to discover them. They are not avoided merely by adopting measures. Many measures can be taken, but if 3000 common criminals are incorporated into the system, what can one expect of them? That they will be converted into saints? If in addition to the fact that they do not become saints, those individuals feel free to do what they want, they will harm us. We are especially harmed by those who organize a mafia.

I gave an example: the distribution of cars. The country distributes thousands of cars. Well, it does not put them on the open market. The state could also organize a free automobile market; 25,000, 30,000, or 40,000. Who would buy them? You know very well who would buy them; the lumpen. The man of the 300 pesos-a-day deal would buy them. Automobiles are sold cheaply here, almost at cost. Easy payment arrangements are given. Why? So that they can be bought by the technician, by the meritorious doctor, the vanguardist, the millionaire machete wielder [applause] -- that is, outstanding professors and instructors, manual workers and intellectuals, on the basis of merit. Thus, this year the country has a consignment of some 10,000 automobiles. At least two out of three will be purchased by workers. Two out of every three, by construction workers, sugarcane workers, transportation workers, workers from different organizations. I think that these are the people who should have the opportunity to own an automobile, not the lumpen.

You know that motorcycles are also distributed among the workers at the sugarmills, at the factories. Many workers have them. The lumpen do not get any, but if they have money they go out with their cash to buy and to corrupt, to purchase motorcycles and automobiles, and to pay 20,000 pesos for an automobile. They have corrupted vanguardist workers, doctors, forcing them to become involved in lucrative activities. These persons have purchased the cars for 4,500 pesos and sold them for 20,000. In other words, this is a corruptive, distorting thing. We have to be implacable in taking actions against this, so that when we see an individual in a new car, we will know that it is a technician or a distinguished worker and not a thief.

What need do we have for individuals who corrupt a worker that, because of his merits as a worker, has received a reward from society, by having access to an economical automobile? Well, as I said yesterday, all who have sold a car should know that the one who bought it will lose the car [applause] and the one who sold it will lose the money, because there is a clause. They are sold cheaply, but this is done to prevent people from profiteering. When one wants to reward a worker, he is given facilities to purchase a car. This is what the worker deserves, but the intention is not to give him 15,000 pesos.

There is a clause that says that the person who wants to sell a car must go to the state, to Autoimport [central enterprise for the supply and sale of light automotive equipment and parts] and sell it there. Then Autoimport will again distribute it as a used car. This is a clause that has been included in the contract ever since the sales of those cars began.

This has been violated. Little papers have been given. We are familiar with the little tricks that some people have been using. However, the purchaser will lose the car and the vendor will lose the money. Don't doubt it. [applause]

I imagine that tomorrow there will be quite a few hurrying [laughter] to arrange and rearrange and see what can be done. There is a legal procedure and it is necessary to go there and comply with the procedure.

Well now, who does his purchasing this way? Who have we discovered doing this? Who has 15,000 pesos to purchase an automobile? The lumpen. The intermediary of a few months ago. The one with the 50,000 plantains. The one from (El Aguar), that one bought about eight. What do you think? And he was buying them for sport. He liked the new ones.

It is necessary to fight against these things. It is also necessary to defend those workers. We have to watch over the attitude of our workers, the morality of our people, respect for the law and the revolutionary spirit and conscience of our people. That is why we have to fight against that profit seeking spirit. Let us hope that many people fix these things, so that the number of people against whom we will have to take drastic measures will be reduced. However, we will not be deterred. We will follow a policy of distinguishing between the honest man, who is at times irresponsible, and the thief. The thief is the one who will not have any chance in this country. This is a policy of all, of all of the mass organizations. We have to wage this struggle together. It is not a matter of the police, or of the Interior Ministry alone. It is a matter for the mass organizations and for all of the people.

I think that we are coming to the time of the reception and to the end of my speech. I wish to tell you of an opinion that I think is shared by all of the companeros who were present here. It is that we have been greatly moved by the words spoken here, by the speeches made. We have been greatly impressed. We feel a tranquillity, a great confidence in the future, when we see cadres such as those that we have seen, with maturity, resoluteness, wisdom, honesty and valor. When we have organized our peasant agriculture into cooperatives and when we have the best peasants, like the ones who have been present here, at the head of those cooperatives, the problems that we are facing today no longer seem serious; an intermediary here, a person who does something there, over there someone who wants to make a deal, a squatter here or there, etc. What a magnificent prospect there is for our country, with the participation, with the future that is being built by men and women like you. [applause]

We have advanced greatly and we will continue to advance. Our path will not be easy. Let no one think that our path will be easy. As we have said before and as we said in October; we must prepare to face difficulties. We have difficulties now and there will be even greater difficulties to come. Even if we do things perfectly well -- and we must try to do them in a perfect way -- even if we work with maximum efficiency, the objective problems in the international situation and the imperialist measures... [changes thought] increasing economic measures against us and we know that they are implementing more measures. We know this. They recently took the ridiculous stand of prohibiting trips to Cuba by Americans. Was there any American tourism in Cuba? They have implemented all kinds of measures that we know about and alongside these measures there is their hypocrisy. They talk about negotiating positions. What negotiating positions are they talking about? What proof do they have of this? Negotiation and discussion? A few days ago the President of the United States said that Cuba would be very well received in the Western community if it were to break its ties with the socialist community and join this sphere.

I don't know, sometimes it is hard to understand the mentality of these imperialist personalities. Perhaps they even think that they are making us an offer or are praising us: They promise us paradise, that rotten and sickening capitalist society. [applause]

Whatever our defects and errors and the immaturity of socialism, we must ask; how was socialism built? What you mentioned yesterday, what Comrade (La Plata) said, what many other delegates said, what the [word indistinct] comrade said about the admiration and infinite happiness they felt in having had the privilege of experiencing the revolution and participating in the construction of socialism -- whatever our limitations and defects, our society is very superior to that which many of you or your parents knew. In fact, some of you present here knew of it. When you compare it to the dignified life, the possibilities, the happiness you have had -- and not only because of material goods; material goods alone don't make happiness. [sentence as heard] Happiness is a sense of justice; dignity; the lack of shame; respect; the love of others; brotherhood [applause]; morality; the feeling of being free, equal and respected; the feeling of being part of the world that one lives in and part of one's own people, working with them like bees. There are many things. We understood very well what the delegates said when they talked about them. We too have known them. We have known the inferno of capitalism and we will never return to it. [applause]

Moreover, these imperialist leaders are disrespectful and rude, because this offer is tantamount to telling a country to become a traitor and to sell itself. We can tell these imperialist gentlemen that what we feel in regard to this offer is great scorn. [applause] If there are men and governments who have sold, rented or surrendered themselves to imperialism, the U.S. Government has more than enough reasons to realize, after 23 years, that our people, party and leaders will never rent themselves [applause]; will never sell themselves [applause]; and will never surrender. [applause]

We will face all difficulties, all pressures, all economic and political attacks or attacks of any other kind. We will continue onward. The revolution will continue to move forward, obtaining new glories and victories. Our workers, peasants, intellectuals and students -- closely united -- will march forward victoriously and nothing and no one can stop them.

Long live the solid, indestructible and eternal alliance between our workers and peasants. [applause, crowd shouts: viva!] Fatherland or death, we will win! [applause, crowd shouts: We will win!]

GRENADAMATERIAL ON STATE VISIT BY MOZAMBIQUE PRESIDENT

22 May Arrival

FL241100 Bridgetown CANA in English 2122 GMT 22 May 82

[Excerpts] St Georges, Grenada, 22 May (CANA) -- The president of Mozambique, Samora Machel, arrived in Grenada on the second leg of a three-nation Caribbean and Central American tour, which has taken him to Nicaragua. The Mozambique leader was greeted by a welcoming party including Prime Minister Maurice Bishop, Deputy Prime Minister and Minister of Finance and Trade Bernard Coard, Foreign Minister Unison Whiteman, Governor General Sir Paul Scoon, and commander of the armed forces General Hudson Austin.

Mr Bishop, in a welcoming address, said the visit of the Mozambican leader represented the dream of the people of Grenada to once again meet with the people of Africa through such a distinguished son of the continent. Mr Machel said that Mozambique welcomed Grenada's anticolonialist stand as well as its nonaligned foreign policy and support for the international campaign to gain independence for the people of Namibia from South Africa. He said the visit is expected to result in closer collaboration between the former Portuguese colony and the Caribbean island in the economic, social and political fields.

Addresses Rally

FL241830 Bridgetown CANA in English 1730 GMT 24 May 82

[Text] St Georges, Grenada, 24 May (CANA) -- Mozambique's president, Samora Machel, today prepared for a visit to Grenada's ally, Cuba, after expressing solidarity with the leftist government here and launching attacks on the United States and South Africa. He said both the Mozambique and Grenada Governments valued freedom and were serving the interests of the masses. This is why United States imperialism was bent on destroying them, he claimed. He said the United States military maneuvers in the Caribbean showed Washington was bent on intimidating all people fighting for freedom and justice.

President Machel flew into Grenada on Saturday after a visit to Nicaragua. He addressed an African liberation day rally yesterday. He leaves for Cuba today. The three regional countries are expected to be excluded from President Reagan's proposed multi-million dollar aid plan for the Caribbean and Central America because of their political differences with the U.S.

President Machel accused the United States of remaining silent on atrocities committed by the regime in racially divided South Africa, while being critical of the national liberation movements in Africa.

Mr Machel said the white minority regime in South Africa carried out acts of aggression against neighbouring African states including Mozambique and Angola. South Africa had the "unconditional support of the imperialists" in its campaign of destabilisation which included killing children, old men and old women, he claimed. The Mozambique leader called on the South African Government to give independence to Namibia (South-West Africa).

The constant failure of South Africa to implement the United Nations resolution calling for independence for the territory and its collusion with Western states in aggression against its neighbours was posing a threat to international peace and security, Machel said. He said Pretoria was trying to thwart the struggles of countries in southern Africa to achieve economic independence as well as trying to internationalise the conflict in southern Africa. President Machel also accused the government of attempting to transfer the "contradictions" it had with its black majority to its neighbours.

Bishop Hails Machel

FL241600 Bridgetown CANA in English 1422 GMT 24 May 82

[Text] St Georges, Grenada, 24 May (CANA) -- Grenada's prime minister, Maurice Bishop, has hailed the visit here of Mozambique's President Samora Machel as a practical example of what true unity means to countries which have undergone similar struggles. Addressing an African liberation day rally yesterday, Mr Bishop said Mozambique and Grenada shared the same victories and were united in struggle against one common enemy -- United States imperialism.

Grenada has been subjected to similar acts of terrorist infiltration, propaganda destabilisation and economic sabotage used by imperialism against the Mozambique revolution, the Grenada leader remarked. But he noted that since Grenada and Mozambique shared the same friends, efforts by imperialism to block aid were defeated by ready assistance given by Cuba and other countries from the socialist and Arab world.

Prime Minister Bishop also said that both Mozambique and Grenada were using the same approach to political and economic development, citing the literacy campaign, housing development and the involvement of the people in the decision-making process as examples. The Grenada leader said further evidence of the unity existing between the two countries could be seen in their involvement in the Non-aligned Movement, their support for a new international economic order, a new international information order and African peoples struggling against apartheid. Mr Bishop said Grenada and Mozambique would support those countries willing to take a principled stand against oppression, and pledged Grenada's continued support for what he termed the just struggles of the Mozambican people.

The Mozambique leader is due to fly out of St Georges today for Cuba, the final leg of his three-nation regional tour which also took him to Nicaragua.

South Africa Terror

EA241610 Maputo Domestic Service in Portuguese 1400 GMT 24 May 82

[Text] There is no opposition in Mozambique, President Samora Machel emphasized today at a press conference given in St Georges. He said there is banditry organized by South Africa, using agents of colonialism to spread terror and instability. The Mozambique leader went on to say that part of the South African Army is attacking his country.

Replying to a question on the destabilization of the revolutionary process in Mozambique, Samora Machel also said the apartheid regime had always opposed the liberation struggle. President Samora recalled how the apartheid regime used to carry out aggressive operations against the Mozambique people in conjunction with Portuguese colonialism.

Departs 24 May

FL241800 Havana Domestic Television Service in Spanish 1700 GMT 24 May 82

[Excerpts] We have just received a report from St Georges that Mozambican President Samora Machel early this morning concluded his 40-hour visit to Grenada, a visit he described as positive and successful. Shortly before leaving Samora Machel held a press conference during which he described his stay in Grenada as brief but very positive and successful. He said that he found the roots of cultural, and especially political, similarities between Mozambique and Grenada. He indicated that Grenada is developing a revolutionary process so original that it is a contribution to the theory and practice of the anti-imperialist struggle of the peoples.

As reported earlier, Comrade Samora Machel, president of the Mozambique Liberation Front Frelino, and of the People's Republic of Mozambique will arrive in Havana this afternoon in response to an invitation of our commander in chief.

PRIME MINISTER ON POLICY TO PROMOTE EXPORTS

FL241550 Bridgetown CANA in English 1648 GMT 23 May 82

[Excerpts] Paramaribo, Suriname, 23 May (CANA) -- The Suriname Trade and Industry Association (STIA) has called for a vigorous overseas marketing programme to support efforts at increased production here.

The association's recommendations to the military-backed government followed a meeting with Prime Minister Dr Henri Neijhorst.

During the meeting the prime minister told the business organisations that the Ministry of Foreign Affairs was to gear itself to promote exports.

He said Suriname's foreign policy would be more economically oriented than politically and economically geared. In this regard, he pointed to a recent sale of 11,000 (long) tons of Suriname rice to Trinidad and Tobago which he said was an example of the role the Foreign Ministry will take.

The STIA statement quoted Prime Minister Neijhorst as saying: "Our cost of production is often too high and it is desirable to effect a prices and wages policy in joint consultation, more so as we do not enjoy any comparative cost benefits with respect to certain products.

"It will be hard to decide on a cut in income, but even by applying rational methods of production we shall be able to produce more efficiently to reduce production cost."

Prime Minister Neijhorst was quoted as saying that this matter would have to be dealt with constructively.

The government has announced plans to establish a far-flung commercial and financial network to attract investors and increase trade. The system is to cover Europe, North and Central America and the Caribbean.

UNION LEADER CALLS FOR RETURN TO DEMOCRACY

FL212303 Bridgetown CANA in English 2153 GMT 21 May 82

[Text] Paramaribo, Suriname, 21 May, (CANA) -- A leading trade union here has issued a call for unity among working class people, a return to democracy in military-ruled Suriname, and greater involvement of the private sector in the development of the economy.

"Unless there is unity and solidarity of the working class and a return to the democratic process... Restoration of the democratic rights of the people through a constitutional government peace will not return to our society nor confidence in the future," Cyril Daal, chairman of the Moederbond (Mother Union), warned.

The Moederbond is one of the four trade union federations here.

Mr Daal urged the government to live up to a promise made since the Henck Arron government was toppled by a coup in 1980 to hold elections by October 1982.

"We expect our authorities to be honest with the people, that we could be sure of their promises...people must not be deceived as in the past," he said.

Mr Daal declared that the investment climate had deteriorated so much that employment was unlikely to be increased by the private sector in the near future.

He said jobs would have to be found if the 5,000 annual school-leavers were to avoid the juvenile crime scene.

"The government has the task of improving the investment climate because it is certain that the government alone cannot look after sufficient jobs," the unionist declared.

"We plead for a place for the private and foreign investment, but at the same time urge the government to fix legal rules which must guarantee that foreign capital will not dominate because we must remain bosses in our country -- rules such as Cuba recently fixed."

He asserted that Suriname had made a mistake in its foreign policy by not becoming involved in the Caribbean Basin Initiative (CBI) -- a United States-proposed aid plan for the Caribbean and Central America.

He said: "We are prepared to support the revolution but under two conditions: one, the power must finally return to the people; two, the authorities must have the interest of the workers of the country at heart because the Moederbond will never cooperate in a situation in which a minority rules the majority and while the revolution means a little elite group."

He claimed that anti-democratic forces were trying to cause dissension between the leaders and the people.

Lack of a democratic process, he charged had restricted peoples rights, led to a curfew being maintained, the state of emergency, the execution of people without trial, arbitrary arrests and mal-treatment of persons who criticised the revolution because it had offered something different from what had been promised.

The Moederbond was formed by the late John Lengel, a former prime minister. It has support among a large section of the community, particularly the National Party of Suriname, now being led by deposed Prime Minister Henck Arron.

PRIME MINISTER OFF TO ROME, NETHERLANDS

FL221P00 Bridgetown CANA in English 1730 GMT 22 May 82

[Excerpts] Paramaribo, Suriname, 22 May (CANA) -- Prime Minister, Dr Henri Neijhorst, left here last night for Rome to represent Suriname at a ceremony tomorrow marking the elevation of a former Roman Catholic priest in Suriname, Petrus Doners, [to] sainthood.

On Monday Dr Neijhorst will fly to Holland for discussions with the interim prime minister, Andres van Agt, this will be Dr Neijhorst first meeting with his Dutch counterpart since he became prime minister of Suriname last month.

Dr Neijhorst is due back in Paramaribo on May 25. In his absence, foreign minister, Dr Harvey Naarendorp, will act as prime minister.

BRIEFS

ARRON GIVEN BANK POSITION -- Paramaribo, Suriname, 21 May (CANA) -- Henck Arron, a former prime minister of Suriname whose government was ousted in a coup on February 25, 1980, has been appointed deputy general manager of the People's Credit Bank of Suriname, the bank announced today. He will assume duties on June 1, according to the bank's general manager, Edward Noordpool, Mr Arron relinquished his position as general manager of the bank when he became prime minister in 1973. [Text] [Bridgetown CANA in English 1616 GMT 21 May 82 FL]

RICE SALE TO FRANCE -- Paramaribo, Suriname, May 21, (CANA) -- Suriname and France have signed an agreement for Suriname to supply 16,000 tons of unpolished and 4,000 tons of white rice annually to Paris, the Ministry of Industry, Commerce and Transport here has announced. Under the agreement, the two governments are to hold talks every six months on possible price adjustments. The rice is being sold at between 400 and 500 dollars (US) per ton, French Government official, Max Caberty, who led a 13-man delegation to Paramaribo, said his country was committed to improving its trading relations with Suriname and looked forward to fruitful cooperation between the two states. [Bridgetown CANA in English 2130 GMT 21 May 82 FL]

MEXICOOFFICIAL TERMS PEMEX MONFY SITUATION CRITICAL

FL242227 Mexico City NOTIMEX in Spanish 2015 GMT 24 May 82

[Excerpt] Mexico City, 24 May (NOTIMEX) -- Osorio Corpi, general director of the industrial budget at the Secretariat of Programming and Budget, said today that the economic situation at Pemex and the Federal Electricity Commission (CFE) is critical.

Speaking at a meeting of the PRI's Institute of Political, Economic and Social Studies (IEPES), Corpi said that "sometimes rates are so reduced that the income they produce is not sufficient to cover exploitation costs." In the case of the CFE, rates are low, but the situation is different with Pemex. "During the past few years, more than half of the sales income is spent on taxes," Corpi said. This, he added, enabled Pemex only to have enough income to cover capital costs and therefore the major part of its investment needs have to be met from other financial sources.

He further said that the chronic lack of financial resources stems from this situation, which caused Pemex and the CFE to resort to more indebtedness on the local and international credit market.

PANAMAPASTORA NOT IN COUNTRY; MEDIATION EFFORTS BEGUN

PA241945 Panama City MATUTINO in Spanish 24 May 82 pp 1A, 8A

[Article by Roberto R. Rodriguez]

[Text] MATUTINO has learned from reliable sources that the entrance of Eden Pastora into Panama has not been registered at any of the country's borders or ports of entry. Pastora broke with the Nicaraguan Government last month and was expelled from Costa Rica on Saturday.

Meanwhile, other sources reported last night that, in an effort to peacefully mediate and prevent border actions which may result in a serious confrontation between Costa Rica and Nicaragua, Panama will start an aggressive action this week to maintain security on both borders.

According to reports, the top leadership of the Panamanian National Guard will participate in this mediation.

Costa Rican President Luis Alberto Monge expelled Pastora on Saturday. He was forced to leave the country a few hours after the presidential decision went into effect. It had been proven that Pastora was involved in political-military activities from Costa Rican territory where he announced that he was breaking with the Managua government.

In conclusion, it was reported that under these circumstances, Panama will act as a mediator in an effort to achieve peace on both borders and thus avoid the worsening of a problem which could result in new clashes which may endanger the security of Central America.